National Council of Applied Economic Research

SURVEY
of
INDIA'S EXPORT POTENTIAL
within
THE INDIAN OCEAN BASIN & NEARBY AREAS

March 1970

LIBYA

FOR LIMITED
DISTRIBUTION ONLY

SURVEY
of
INDIA'S EXPORT POTENTIAL
to
Twenty-six Selected Countries
in
THE INDIAN OCEAN BASIN
And Nearby Areas

prepared under the sponsorship of
THE EXPORT PROMOTION DIVISION
U.S. Agency for International Development, New Delhi
for
THE MINISTRY OF FOREIGN TRADE
Government of India

NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH
NEW DELHI

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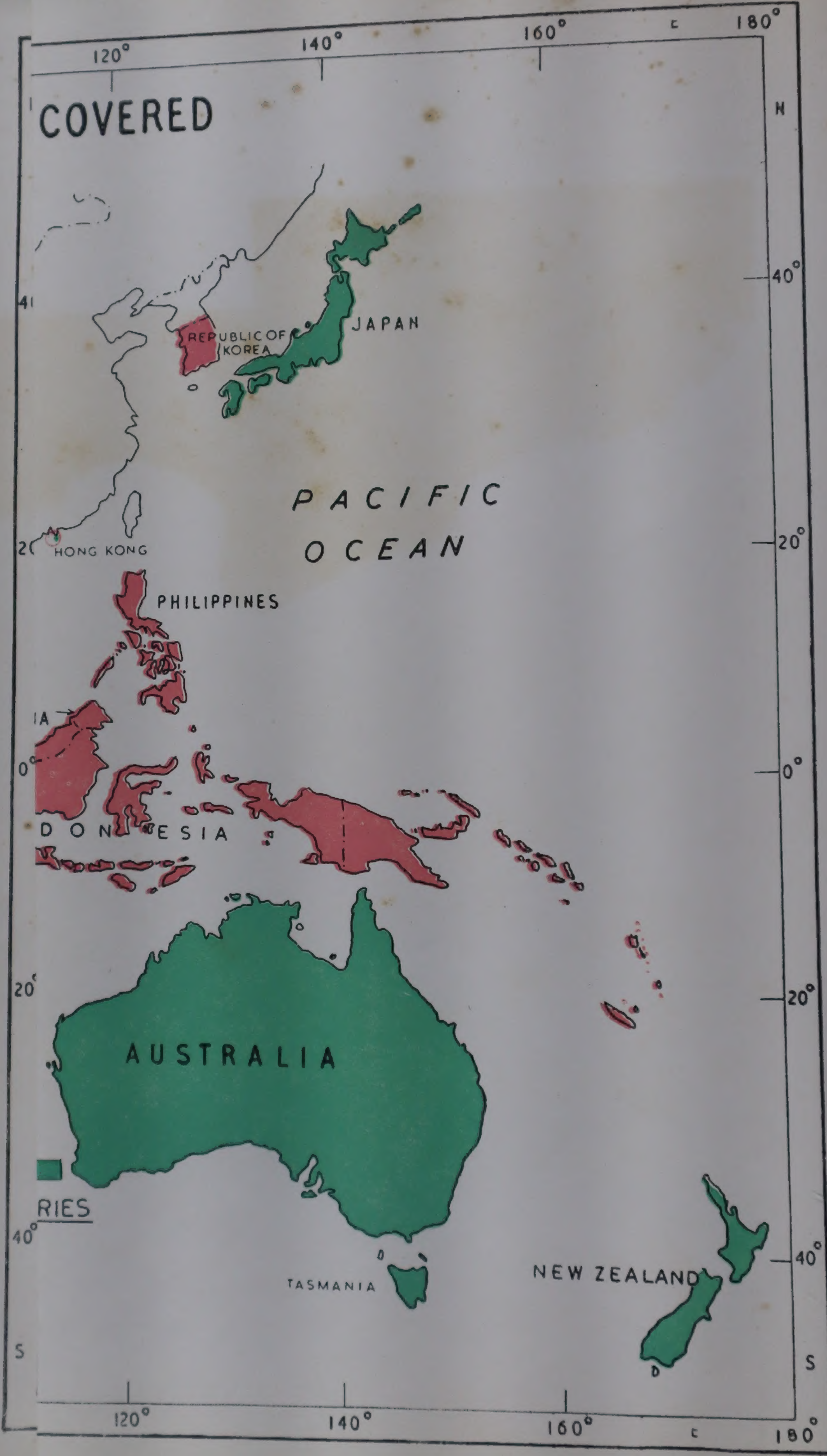
REGIONAL TRADE STUDY

SURVEY OF INDIA'S EXPORT PROSPECTS
IN
LIBYA

National Council of Applied Economic Research
New Delhi
April 1970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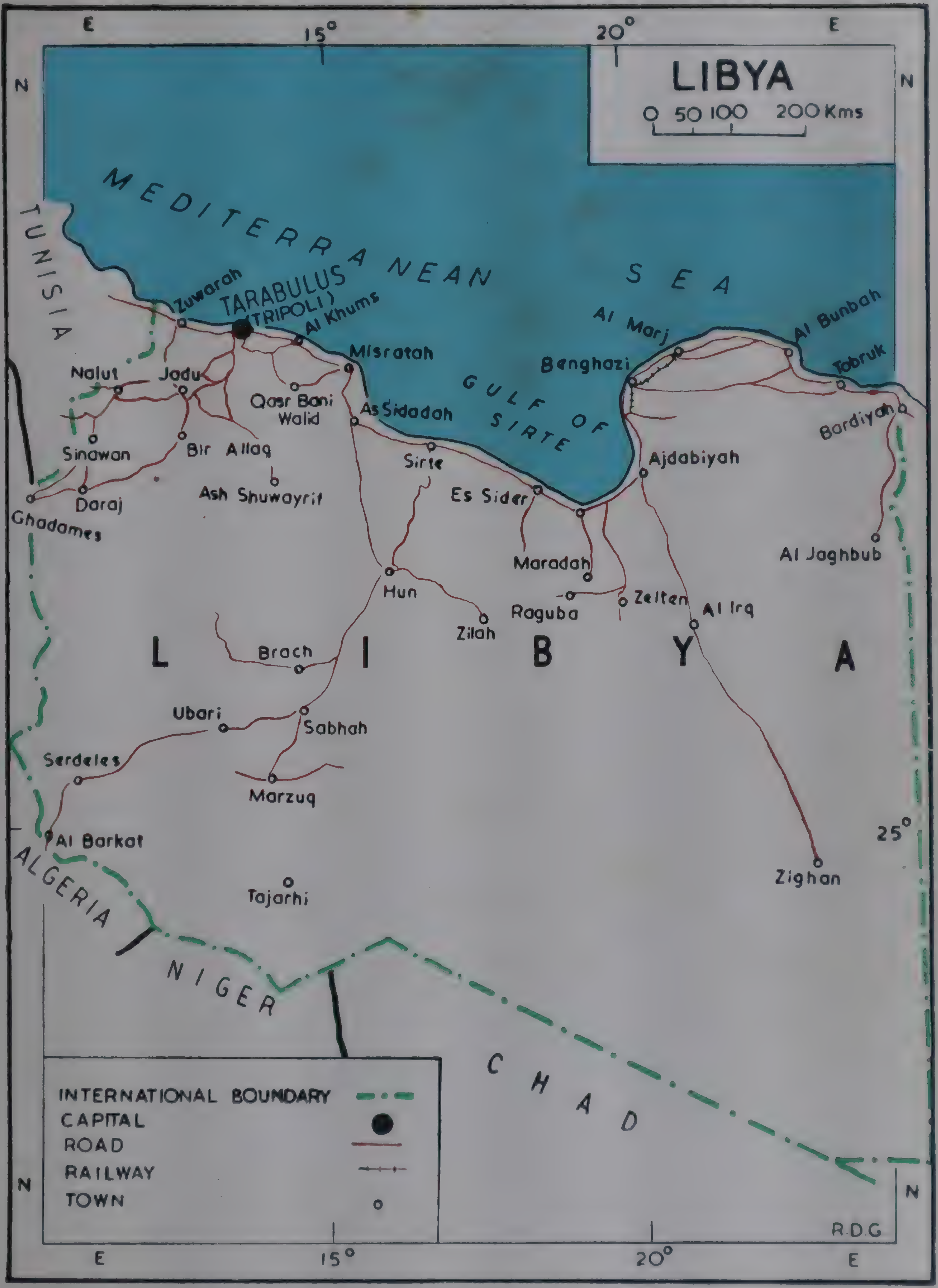
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PREFACE

In 1968, the National Council was requested to undertake a study of the export prospects for India in 26 selected countries in the Indian Ocean Basin and nearby areas. The study was to form part of a series of Export Potential Surveys' which are being performed by independent Indian research organizations for the Ministry of Foreign Trade. The series of studies is sponsored by the U.S. AID Mission to India Export Promotion Division.

The countries covered by this study are: Kenya, Uganda, Tanzania, Zambia, Ethiopia, Malagasy Republic, Libya, Iran, Iraq, Saudi Arabia, Kuwait, Muscat and Oman, Abu Dhabi, Dubai, Ceylon, Burma, Singapore, Malaysia, Indonesia, Thailand, Philippines, Hong Kong, Republic of Korea, Japan, Australia and New Zealand. This report on Libya is one of the series.

The main objective of the study was to assess the export prospects of India in the selected countries over the five year period (1969-74). We have studied the existing pattern and past trends of Indian exports to each country, assessed the trade prospects of India in each country and suggested measures for realising the export prospects. The term 'export' has been used in the wider sense not only to include commodities but also services such as joint ventures and engineering or construction contracts.

Apart from the individual country reports, an overall report covering our general findings with respect to the entire region of 26 countries has also been prepared and submitted and is being published separately. It may be added that the data given in this report and findings based on this data relate to the period of the field visit of our team which took place in May 1969. It is possible that certain changes might have taken place since the visit of our team. This has to be kept in mind by the readers.

In this country study we have had full cooperation from various agencies in India as well as in Libya. My special thanks are due to the Ministry of Foreign Trade, Government of India, the Indian Embassy in Libya and the Government of Libya and a large number of businessmen and other people whom our team contacted during the field visits.

In the preparation of this report, I had full cooperation from my staff members who were directly responsible for conducting the entire study covering all the countries including the present one. Their names are given in Appendix 1. My special thanks are due to Shri R.S. Sharma, Project Director and Shri R.K. Patil and Shri P.L. Narayana members of team for this country. I hope the report will be found useful by all those engaged in the export effort.

New Delhi
December 1969

S. Bhoothalingam
Director-General

NOTES

1. The dollar ($) referred to in this report is the U.S. dollar.

2. Reference to the present in the report is as of May 1969 the time of the team's visit to this country. The data given and assessments made are also as obtainable then.

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SELECTED ECONOMIC INDICATORS

Item	Unit	1962	1965	1966	1967	1968
1) Population	Million	1.5	1.7	1.7	1.8	NA
2) Growth rate	% p.a.	------3.8-------------				
3) G.N.P.						
a) at current prices	Million US $	409	1185	1471	1773	"
b) at constant (1964) prices	"	494	1118	1289	1436	"
4) Per capita G.N.P.	US $					
a) at current prices	"	274	646	774	894	"
b) at constant (1964) prices	"	330	672	745	797	"
5) Growth rate of G.N.P. 1962 - 1967 (constant prices)	% p.a.	-----------23.7----------				
6) Foreign Trade	Million US $					
i) Exports	"	137	790	986	1168	1870
ii) Imports	"	204	319	403	476	644
iii) Balance of trade	"	-67	+471	+583	+692	+1226
iv) Balance of payments (Current account)	"	-146.7	+97.7	+105.0	+57.1	NA

(Contd.....)

Item	Unit	1962	1965	1966	1967	1968
7) Gold and foreign exchange reserves	Million US $	102	252	343	391	545
8) Trade with India	"					
i) Exports to India	"	Negl.	Negl.	Negl.	Negl.	Negl.
ii) Imports from India	"	0.77	1.30	0.93	1.50	2.01
iii) India's share in total exports	PC	0	0	0	0	0
iv) India's share in total imports	PC	0.37	0.41	0.23	0.32	0.31
v) Balance of trade with India	Million US $	-0.77	-1.30	-0.93	-0.150	-2.01
9) IMF par value	Units of national currency per US $	0.357	0.357	0.357	0.357	0.357

Area: 1.75 million sq. kms.

Capital: Tripoli. However a new capital is being built at Beida, about 200 kms. from Bengazi. The process of shifting government offices to Beida has just now begun.

National Currency: Libyan Pound (£ L) divided into 100 piastres of 10 milliemes each.

SUMMARY AND RECOMMENDATIONS

Libya came into limelight in international trade only in early sixties when its economy underwent a spectacular transformation owing to petroleum boom. Under the impact of discovery and exploitation of oil the gross national product (at constant prices) advanced at an annual average rate of 23.7 per cent between 1962 and 1967. The per capita income reached $ 1,000 or £L 357; sixteen years ago it stood at $ (£L 14). The impact of sharp increase in incomes on import trade was spectacular especially in view of its very small agricultural and industrial base.

Imports into Libya increased by nearly 340 per cent from £L 53 million in 1961 to £L 230 million in 1968. The payments position is quite strong; foreign exchange reserves totalled £L 227 million in January 1969. The country traditionally ran deficits on balance of trade account to the tune of about £L 30 million a year. But from 1963 onwards, surpluses are being accumulated at about £L 200 million per year. It is no wonder that overseas countries are assidously cultivating Libyan market for promoting their sales.

Population totalled 1.8 million in 1967. One-third of labour force is employed in agriculture and allied activities. As productivity in agriculture is low half of food requirements are imported. Wheat and rice are important among cereals imported. Notwithstanding efforts of the Government to improve agriculture, production has more or less remained stagnant. Oil-pressing, carpet weaving, flour milling, soaps and detergent manufacture, cement, canning, cigarette manufacture are important industries. But total industrial production forms only about 5 per cent of imports.

Emphasis on building infrastructure has led to construction boom, which has stimulated imports. The service sector is expanding at a rapid rate. Though the Government is keen to improve agriculture and to expanding industrial base, its efforts are likely to meet with limited success. The very prosperity generated by oil boom is inhibiting development of agriculture and industry.

The administrative machinery is week. There is an acute shortage of manpower. Even key posts in government, particularly technical ones are held by foreigners. Managerial posts in business houses are manned by foreigners. Even clerical position are held by foreigners, as few Libyans know procedure for importing.

The Second Five Year Plan launched in April 1,1969 envisages a total outlay of $ 3,217 million. Most of it is earmarked for housing, power, roads, education,etc. In view of strong payments position, imports are unlikely to be restricted. The general outlook for the economy (and hence for imports) is quite bright.

An analysis of composition of imports over past 3 to 4 years shows that Libya imports practically everything. As population is small quantum of individual commodities imported is small but in aggregate they make up an impressive figure which was $ 644 million in 1968. Of this total oil companies' share was $ 154 million. The remaining for civilian consumption comprised on all types of consumer and producer goods. In the latter category building materials were prominent.

Exports consist mostly of oil (99.9%), Western Europe being the biggest buyer. Situation in international oil market being what it is, foreign exchange earned is completely 'free'. This has made Libyan market a free and highly competitive one. Barring Israel, S. Africa

Portugal and Rhodesia, any country can export its goods. Traditionally due to proxmity, West European countries have been principal trading partners. Among these, due to its past colonial connections Italy has a prominent position, and its share in imports being 25 per cent in 1968. However, with the entry of East-Europe, Soviet Russia and China and other countries share of Western Europe is shrinking.

India's exports to Libya have not been significant in the past. It was only in 1968 that they rose to $ 2 million. Although exports increased by 140 per cent during last eight years, India's share in total imports declined from 0.61 per cent in 1961 to 0.34 per cent in 1968. During this period, countries such as China and Hong Kong, similarly placed as India in respect of distance achieved a major break-through and established themselves firmly in the Libyan market. It is, therefore, clear that Indian exporters have not exploited the market potentialities.

India's exports consist of woollen goods (50 per cent), knitted wear, footwear, tea, spices, diesel engines and a number of miscellaneous articles, such as household plastic goods, pressure stoves, jewellery, dry batteries, etc. If the woollen goods are excluded, export performance in 1968 was far from satisfactory. Exports of turmeric, tobacco, jute manufactures, coir yarn, cotton textiles, etc., declined.

Though there is some scope for increasing sales of consumer goods main effort must be directed to other items particularly construction material, builders' ware, light engineering goods (diesel engines, electric motors, pump sets, etc.), hospital ware, sanitary ware, iron and steel tubes and pipes, transformers, switchgear and other electrical accessories. An analysis of Libya's Second Five Year Plan investments shows that above mentioned items are the ones which have immense potentiality.

As the range of import requirements of Libya is quite wide India can make effort to push its sales extensively. Commodities in which it has fairly good chances are discussed later.

It is worth noting that there is unlimited scope for promoting exports provided India can compete in price and quality; but demand for individual items is likely to be small in view of the small size of population.

Libya is an intensively competitive market where manufacturers from all parts of the world including

Eastern Europe, Soviet Russia and Communist China compete fiercety. At present,India, Pakistan and Hong Kong have acquired a bad image especially in textiles due to short shipment and poor quality, further, India's prices are high. Under the stimulus of rising oil income and development expenditure imports will expand rapidly. As development of industries and agriculture, is inhibited by inherent difficulties peculiar to its economy Libya would have to depend for various types of consumer and producer goods for years to come on imports. Being aware of difficulties the Govt. of Libya does not wish to impose any quantitative or other restrictions on imports with the exception of a few traditional items which are indigenously produced. Tariffs on many items are fairly low. Many countries are trying to gain a foothold and enlarge their shares. Countries which lag behind in this race will have to face further odds in entering the market at a future date.

In Libya, two independent market segments can be distinguished : one catering to the educated elite and foreigners and the other serving middle and lower middle classes. The latter segment is not quality conscious and hence it is possible to push shoddy and cheap goods. There is considerable variations in price even for the same product in these two segments.

Another noticeable feature is prevalence of very high trade margins. Generally speaking trade margins vary from 50 to 150 per cent, depending on the type of product and turnover. This is understandable in view of limited size of the market the high wage rates and exhorbitant rents.

While there are good prospects for increasing India's exports, there are hurdles which have to be furmented. These are :

1. Owing to the closure of the Suez Canal, shipping distance from India has considerably increased. The freight disadvantage alone is about 90 per cent. As there are no regular shipping services, transhipment has to be resorted to. This lengthens delivery time and increases costs.

2. Indian prices are high for some products. When they are not high, response to trade inquiries by Indian parties is poor. Further, once an Indian exporter gains ground, a host of other Indian competitors enter offering low prices and thus spoil the market.

3. Numerous complaints are heard about quality not being to sample specifications. Even goods sent by reputed Indian firms have turned out to be shoddy. There appears to be no control on quality at manufacturing stage.

4. As it is, delivery schedules are long. They are further extended owing to shipping delays and by extension of letters of credit. In a highly competitive and price sensitive market, import is interested in quick deliveries.

5. Appointment of local agents is a must in Libya. Apart from legal compulsion, it is only the local agent who can scan the market on a continuous basis for his principlas, Frequent visits from Indian salesmen are necessary.

Joint Ventures

There is little scope for joint ventures for two reasons: (1) As it is, a limited market, operations have to be on small scale. A collaboration under these conditions tends to be unprofitable; (2) As it is, industries which have been set up are not doing well due to high wage costs, paucity of technical skills and general inflationary conditions. The only Indian concern, namely, Indian Hume Pipe Co. has been incurring substantial losses right from beginning.

The Government of Libya has drawn up programmes for diversifying industrial structure. But it appears prospects are not particularly bright, barring traditional industries like canning, food processing, textiles, cigarettes, the new industries which have been set up with government support are not doing well. However, the government is determined to establish about eleven industrial units during the Second Plan period. The list is given in Chapter VII.

The Government has announced a number of concessions such as tax exemptions, guarantee on repatriation of funds for new industries. But even with these incentives, chances of successful joint ventures are rated quite low. India can still expect to get orders for equipment if the government decides to start industries on its own. Further, the paucity of managerial talents would create opportunities for Indian technical personnel.

Service Contracts

Opportunities for service contracts are ample. Tenders for road construction, building of residential houses, schools, hospitals,etc., are likely to be floated soon. But bidding for these tenders must be carefully planned. Already some international companies have come to grief. Competition from Yugoslavia and Bulgaria is quite intense. Yet there is scope for collaboration with Libyan companies in getting contracts.

Further, Libya will require about 16,000 technical personnel for management, engineering, medical and teaching over next 5 years. As there is abundant goodwill for India it should be possible to arrive at government-to-government arrangements for supply of trained personnel on a short-term service basis.

RECOMMENDATIONS

B. General

1. As shipping is the most important single hurdle in expansion of trade with Libya, it is suggested that subsidies may be given for an initial period of two years to enable Indian shipping companies to call regularly at Tripoli. Once cargo offerings reach minimum level needed to induce shipping companies to call at Tripoli subsidies should be removed.

2. Indian exporters must find Libyan agents for promoting sales of their goods. Apart from commercial advantage in following this practice, this is necessary due to legislative compulsion. Agents well placed in the community are particularly necessary for bidding government tenders and for obtaining government registration for exporting pharmaceuticals.

3. There have been complaints about flying visits to Libya by Indian businessmen, which generally do not result in business. Indian sales representatives should stay for a minimum period of 5 to 6 days to gauge the market and, more important, to find competent agents.

Until Indian exporters establish credibility regarding quality and prompt delivery, frequent visits from Indian exporters are a must.

4. In future, there is likely to be good scope for service contracts especially in construction field. In order to qualify for bidding government contracts, it is necessary to register with the Ministry of Public Works. It is suggested that a consortium of building contractors be formed preferably with Libyan collaboration and get registration as early as possible. Alternatively, some big Indian contracting firms should establish liaison with Libyan contractors and get themselves registered. Indian Embassy in Tripoli will be in a position to suggest names of reliable parties in Libya.

5. There is very little publicity about India's products. Participation in the Annual Tripoli Fair gives an opportunity to exhibit Indian products. Unfortunately, past experience shows that participation was not properly planned as to exhibits and strategy. The emphasis, in the past, had been on counter sales as against cultivating business on enduring basis. Future participation should lay emphasis on cultivating importers and commercial agents rather than visitors to the Fair.

6. Films depicting India's industrial progress should be exhibited from time to time. At present very few Libyans are aware of the wide range of industrial goods that India produces. Libyans are very fond of Indian films and music. This preference should be taken advantage of to familiarize India's goods.

7. There is cut-throat competition among Indian exporters especially in woollen textiles. Measures should be taken to avoid harmful competition among them.

8. The Government of India has very recently taken measures to identify and penalise exporters whose malpractices damage India's image like not supplying according to samples and specifications. It is hoped that these steps will eliminate malpractices.

9. Quality of India's goods exported has to be rigorously checked. Along with Pakistan and Hong Kong, India is viewed with suspicion in respect of quality, short shipments, etc.

10. Arrangements might be considered whereby Indian Embassy at Tripoli could give assurance to local importers about reliability of Indian suppliers. Uptodate list of exporters certified by Export Promotion Councils should be supplied to the Embassy promptly.

11. Commercial agents and importers complained about lack of information about prices of important Indian commodities. This is specially true in case of food articles, spices and tea. As prices are published regularly in the Indian Trade Journal: Indian Embassy should draw attention of importers/commission agents to this publication.

12. Indian Embassy should be provided with a revolving fund to purchase tender documents. At present, there is long delay in getting tender documents and submitting them in time.

13. Indian Embassy needs to be strengthened on the commercial side. At present, the Embassy personnel consists of only one diplomatic officer. This is a small contingent in the light of export opportunities.

14. Benghazi is the second important trading centre and accounts for one-third of imports of the country. India does not have consular representation here. It is suggested that an Hon. Consul may be appointed at Benghazi to look after commercial relations.

15. The Libyan Government should be persuaded to open an Embassy or at least a Consulate in Delhi as it would help to promote commercial relations between both the countries.

16. No Indian bank has an office in Libya. In view of growing trade opportunities, possibility of opening a branch office should be given due consideration. However, any such venture has to be in collaboration with Libyan parties in view of government's insistence on 51 per cent national ownership in banking business.

17. There is an acute shortage of manpower. The Libyan Government would welcome entry of skilled personnel in areas which would promote economic and social development of the country. Already, a few Indians are working in Government service. Government-to-government arrangements should be made for providing Indian technical services.

18. Some embarassment is caused to Indian personnel and the Embassy by the recall of deputationists by parent departments in India, even though their presence is desired by the Libyan Government. This lapse is expbited by India's competitors. It is suggested that the Government of India should allow personnel to stay in Libya as long as the host country desires.

A. Promoting Exports

1. Possibilities of increasing exports of the following commodities are particularly bright:

Tea
Rice
Spices (turmeric, pepper, pimento, etc.)
Canned fruits and juices
Iron and Steel structurals
Builder's ware
Textiles, especially towelling and bed sheets
Hospital-ware
Sanitary-ware
Electric accessories
Transmission equipment
Footwear - fancy chappals
Plastic household goods, and
Exposed cinematographic films.

2. Tea: .As main competitor in tea is Ceylon and as its quality is highly valued, intensive promotional effort will have to be made. Libyans like particularly special brand of tea known as 'Gulabi Tea'. Names of exporters prepared to respond to enquiries from importers should be supplied to the Embassy.

3. Spices : Demand for pepper, turmeric and other spices is increasing at a rapid rate. These opportunities need to be fully exploited. Apart from bulk trade in spices, Libya offers a good market for ground spices and prepared items such as pickles, chutneys, curry powder, etc., in consumer packs. This segment of market has been ignored completely by Indian exporters.

4. Rice : There would be an excellent demand for basmati rice. It should be sent in packages, preferably

in cartons of 1 to 2 kgs. Retailers would also appreciate packings of 25 kgs. bags.

5. Woollens : Market for woollen goods, especially readymade garments, is saturated. Unhealthy competition among Indian exporters has damaged the image of India. Steps should be taken to check malpractices.

6. Pipes : For promoting sales of steel pipes and other items, it is worthwhile to cultivate oil companies' purchasing agents located in London.

7. Building Materials: Important building contractors in Libya should be approached for selling building materials. However, importers are chary about placing orders with India because of frequent strikes in Indian factories, railways, ports, etc.

PART ONE

ECONOMY

Chapter 1

ECONOMY

Libya was an Italian colony prior to the Second World War. After the war the country was temporarily divided and placed under mandate of British and French Armed Forces. In accordance with the resolution of the United Nations in December 1951, Libya was declared independent. In 1963 the constitution was amended replacing federal form by unitary form and the country came to be known as the Kingdom of Libya.

Land and People

The Kingdom of Libya is situated in the northern part of African continent between the U.A.R. in the east, Algeria and Tunisia in the west, Chad, Niger Republic and Sudan in the south and the Mediterranean sea in the north. It has a long coastline of 1,800 kms. With a total area of 1.76 million square kilometres, Libya is the third largest country in Africa.

A large part of the country is desert. Rainfall is highly uncertain and unevenly distributed. Because of meagre rainfall, the cultivable area totals only

3.84 million hectares which forms 2 per cent of total area. Of this, less than half is under actual cultivation. Owing to inadequate water resources, poor soil, rising wages and inefficient marketing facilities, agricultural production has failed to keep pace with requirements of the economy. The Government of Libya is, however, trying to increase agricultural productivity by offering various incentives like interest free loans, guaranteed prices, and supply of agricultural implements and inputs at concessional rates. In spite of these efforts, Libya still imports nearly half of its food requirements from abroad including wheat, rice, fruits, vegetables, milk and milk products.

Population

The Kingdom of Libya is one of the thinly populated countries in North Africa with an average density of one person per square kilometre in 1967. The Census of 1964 placed the mid-year population at 1,564,000. Population is increasing at a rapid rate of 4 per cent per annum. The estimated population for the years 1961-67 along with growth rates are shown in Table 1.

The population is expected to rise to 1.894 million by 1970, 2.596 million by 1980 and 2.975 million by 1985. The Government of Libya is encouraging Libyans numbering 50,000 or more who are residing in neighbouring countries to return with a view to solve the problem of acute labour shortage. The inflow has already started and by 1970, 30,000 expatriates would return. Foreign population is expected to rise to 250,000 by 1985 as against 60,000 in 1965. A rise in alien population is forecast owing to acute shortage of technical skills needed to develop economy. Unskilled labour from adjoining countries is also expected to come in to fill the gap between demand and supply.

As 90 per cent of the area is desert, population is concentrated in Tripolitania and Cyrenaica regions. Table 2 gives geographical distribution of population.

The disproportionate distribution of the population is due to localisation of economic activity and consequent urbanisation in the Western Muqataas of the country. The population growth rate is also highest in this region, which is mainly attributable to migration from rural to urban centres. Important towns in the country are Tripoli, Benghazi, Sabha and Beida.

With rapid growth of the economy in recent years, demand for labour, particularly qualified and skilled labour, has outstripped domestic supply. Even in unskilled categories, a tight labour situation exists. Consequently foreigners have to be employed in services, manufacturing, mining and quarrying, construction and commerce.

In spite of commendable efforts made in recent years to provide educational facilities, literate population still constitutes a small proportion. In 1964, only a quarter of the population was literate, and of this who received higher education formed a small fraction. Expatriates often provide various types of skills to run industries, commercial establishments, oil exploration, State administration and other skilled services. About 50,000 foreigners were reported in 1964.[1] Italians formed the dominating group, accounting for nearly 43 per cent of foreign population. After independence, people from the U.S.A., the U.K. and Eastern Europe have come to Libya. Indians, mostly technical personnel, numbering around 100 are employed in universities, government and commercial houses.

Foreigners, especially those employed as consultants in government or commercial houses, exert considerable influence in deciding types of products and countries from which they could be imported. For instance, a foreign consultant employed in the Ministry of Public Works will be inclined to specify materials that are being produced within his country for use in a construction programme. Similarly a person employed in a commission agency house is in a position to influence the importer to purchase goods from his country, as generally, Libyan importers are not so knowledgeable about alternative sources of supply, prices, quality, etc. The situation, however, is gradually changing. The Libyan consumer is not yet very discriminate in his preferences as only recently he is exposed to the wide range of the products that are manufactured in different countries. Under such imperfect market conditions foreigners, particularly Europeans and Americans, act as guides in the selection of products and trading partners for the Libyan market. The predominance of a few countries accounting for a lion's share in imports of Libya is partly explained by such an influence. This situation will not last long, as the consumer is slowly distinguishing the comparing qualities, prices, etc., of different products manufactured in different countries and making his own choice. Manufacturers who are able to satisfy him in this formative period are expected to establish themselves permanently in the market.

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[1] The figure relates to 1964. No official estimates for later years are available. Knowledgeable sources put the present figure of expatriates at over 60,000.

In 1964, the economically active population totalled 41,000 (including 17,559 expatriates) of which nearly 91.6 per cent were employed. Agriculture employed about 36 per cent, services 20%, construction 7.8%, manufacturing 7.3%, commerce 6.6%, transport and communications 5.6% and mining and quarrying 3.5%. A large percentage of foreigners is employed in services, manufacturing, mining and quarrying, construction and commerce. About 10 per cent of the Libyan labour force can be classified as skilled or semi-skilled. Consequently there is considerable shortage of trained workers, which in turn hampers rapid diversification of the economy through industrialisation.

Economy

Before beginning of exploration of oil in 1956, Libya heavily depended on foreign financial support to supplement its otherwise meagre resources derived from agriculture. Discovery of oil in 1959 and its extensive exploitation in later years have completely transformed the economy and ushered in an era of tremendous expansion. The gross domestic product at factor cost has increased several-fold from $ 146 million in 1958 to $ 2,132 million in 1967. The contribution of oil increased by over a hundred times from $ 10 million to $ 1,137 million. There has been a phenomenal rise in oil exports particularly from 1962, which pushed the economy to an unprecedented level by 1967. During the period 1962-67, the economy advanced at a faster rate and the gross domestic product in real terms increased at an annual average rate of 28 per cent and the gross national product at nearly 24 per cent. The June 1967 war in the Middle East subjected the economy to a temporary strain; the oil export embargo resulted in slowing the pace of development of the economy. Within a short time, however, the embargo was lifted and the growth rate picked up again. Although the national income statistics for 1968 are not yet published, the growth rate of G.N.P. is expected to be around 16 per cent. On the basis of an estimated population of 1.8 million, per capita income in 1967 was £L 319($ 893) as against only £L 14 ($ 40) about 15 years ago. If the Second Plan targets are achieved, the per capita income in 1974 is expected to be around $ 1,500 at 1967 prices.

Economic Structure

No doubt, the spectacular growth of the oil sector has overshadowed and in certain cases even hampered progress of other sectors of the economy, but the overall effect of huge development expenditures has been wide dispersal of economic activities of all types all over the country. Tables 3 and 4 show the structural transformation that has taken place during the period 1958 and 1967 through 1962. Although a gradual decline in the relative shares of agriculture, manufacturing industry, services, etc., in G.D.P. is evident (construction, however, is the only exception) all the sectors registered impressive growth rates in absolute magnitudes. The fall in the relative shares is due to the overwhelming increase of the oil sector. Between 1962 and 1967 building and construction activity rose at an exceptionally fast rate of 30 per cent in real terms every year owing to phenomenal increase in demand by the Government, oil companies and the private sector. In the First Five Year Plan, the Government of Libya allocated nearly three quarters of the public investment to the development of physical infrastructure. So also, oil companies and private individuals invested huge sums in the construction of residential houses and office accommodation. Agriculture and industry, no doubt, expanded, but could not keep pace with the growth of either petroleum or construction. As a result their relative shares declined. Services sector, even prior to advent of oil, was holding a pre-eminent position. With boom in oil, demand for essential services like education, health, etc., expanded rapidly.

During the period 1962 to 1967, contribution of the sector increased in real terms by over 20 per cent per annum.

Agriculture

Despite tremendous expansion due to its oil wealth, the economy continues to be still predominantly pastoral, agriculture and allied activities providing employment to one-third of labour force. Agriculture is backward, except on a few modern farms earlier owned by Italians and new ones now being promoted by the Government of Libya. Roughly about 70 per cent of agricultural activity is concentrated in Tripolitania, 20-25 per cent in Cyrenaica, and the rest in Fezzan.

Before discovery of oil, Libya was self-sufficient in foodstuffs and was even exporting some cash crops. With petroleum prosperity, consumption of food articles has soared while agricultural production has remained stagnant. As a result, Libya imports about half of its requirements of food articles.

The most important cereal grown in Libya is barley which is staple diet, followed by wheat, maize and millets. Important fruits grown are olives, dates, oranges, grapes and figs. Rcent production trends of these crops are shown in Table 5.

The agricultural crops which have recorded significant increase in production are wheat, tomato, onion and olive. For the rest of crops, production levels are almost static. Stagnation in agricultural production is attributed to shortage of labour caused by migration of the enterprising classes to urban centres and to oil industry for more remunerative jobs. Other inherent deficiencies such as scarcity of rainfall, recurrent sand storms, etc., act as disincentives. The Government is formulating various policies to help growth of the sector by allocating more and more development finance. The nomadic population from deserts is being induced to settle on the farms through provision of agricultural implements, built=up houses, water and other facilities. Other measures of assistance given to agriculturists are interest-free loans and guaranteed prices for major agricultural products at nearly twice the world level.

In this connection, mention may be made of the poineering work done by the National Agricultural Settlement Authority (NASA). Founded in 1963, the NASA is charged with the responsibility of developing large areas of agricultural land, much of which had never been farmed before. The development involves drilling new wells, capping and relining existing ones and installing pumps and irrigation facilities. Some 500 wells have been already drilled/improved and more drilling is expected in the Second Plan.

One of interesting aspects of water resources development in Libya is the confirmation of large groundwater resources at Kufra in the far south of Cyrenaica. Late in 1968 Occidential Oil Company of Libya struck a 2,000 ft. well that produced 100,000 barrels of water a day. The company explored water resources as one of the conditions granting concessions to it called for an investment in agriculture of 5 per cent of its pre-tax oil profits. It estimates reserves at one quardrillion barrles of water, "enough to irrigate million acres for a thousand years and equal to the flow of Nile for two centuries".

The water was tested for irrigational use and 600 acres of alfalfa were planted at the end of 1968. Preliminary reports are quite encouraging and give hope for the development of a prosperous meat industry in the region. It is proposed to bring 25,000 acres under irrigation over next 10 years with an estimated capital investment of about US $ 50 million on the part of Occidental Oil Company alone. It is too early to get any further details of the project at this stage but further developments are worth watching carefully. Activities of the NASA and Occidental would generate an increasing demand for spray irrigation equipment, pumps, pipes, etc., in which India can participate with profit.

Finally, it may be added that notwithstanding these developments, imports of foodstuffs would go up, at least during the next 5 years. India has very good chances in participating in this market too. The commodities where India has an advantage are rice (especially the Basmati variety), canned fruits and juices and spices.

Mining Sector

Apart from oil, Libya has little known mineral wealth. Some other minerals, known to exist are iron ore, potassium and magnesium salts, sulphur and gypsum. Exploitation of gypsum has already commenced. The main bottleneck in exploitation of minerals is high transport cost and overriding priority still enjoyed by petroleum industry.

Exploration of petroleum is governed by the petroleum law of 1955 which was amended in 1961 and 1965. The general control of the oil activities is in the hands of the Ministry of Petroleum Affairs, while the policy is laid down by a specially constituted high-powered council. The entire petroleum production is in the hands of foreign companies. In April 1968 a Government owned company, viz., Libyan General Petroleum Corporation was established to explore and drill for oil, to exploit any discoveries and to export or refine oil either directly or through joint ventures.

Since the first concession for oil exploration was granted in 1955, there has been a swift exploitation of oil resources. By the end of 1967, 136 concessions were granted, of which 40 are producing oil. A total of 2,069 wells have been completed and of them 1,086 are producing oil with a tested rate of production of 1.92 million barrels a day. Actual production reached 2.9 million barrels a day by the end of 1968. In 1969 total capacity is likely to exceed 3.7 million barrels a day. Oil production has been increasing at tremendous pace in recent years because of the shorter distance between Libya and North America and Western Europe in Comparison to Persian Gulf countries and of the closure of the Suez Canal. Libyan oil has a low sulphur content, which makes it particularly suitable for internal combustion engines as less waste products remain after combustion. Recent trends of production are given in table 6.

Libya joined the Organization of Petroleum Exporting Countries (OPEC) in June 1962. It is also a member of the Organisation of Arab Petroleum Exporting countries.

A refinery was completed in 1963 to meet domestic requirements of petroleum products. It has a capacity of 0.4 million tons a year and went into production only in 1967. Other petroleum based industries that are likely to be started are an ammonia plant with a capacity of 1,200 tons per day and a sulphur recovery plant to produce 45,000 tons of sulphur a year. The oil industry is also planning to utilise its natural gas which is presently flared.

Manufacturing

Industrial development is still in a nascent stage and is confined to processing of local agricultural products. Most important industries in the private sector are oil pressing, carpet weaving, flour-milling, soap and detergent manufacture, beer production and canning. In the Government sector, tobacco and cigarette factory, date-packing plant, salt refinery and printing works are the main industries. One cement factory is already in production and one more is planned in the Cyranaica region.

According to the industrial census of 1964, there were 911 large enterprises (employing 5 persons or more), in addition to over 7,000 small establishments. Of these 622 were classified as manufacturing units, 153 in construction, 79 in stone quarrying, 45 in petroleum mining and the remaining 12 in production of electricity and gas. These establishments offer employment to about 30,000 persons. The value of gross output of all manufacturing industries is estimated at £L 57.7 million. The value of gross output of important large establishments is given in table 7.

The Government has been actively encouraging industrial growth by offering various facilities including tax and customs exemptions and tariff protection to manufacturing units. Major obstacle in the way of rapid industrialisation is marked preference for investment in real estate, petroleum contracting activities and foreign trade where the rate of return is high and turnover rapid. In addition, low labour productivity coupled with higher wages[1], absence of local raw materials, limited size of the market, shortage of technological skills, etc., are other inhibitory factors.

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[1] The current wage rate for unskilled labour is about £L 1-1.25 per day. In the outlying areas, it is around 75 piastres. Not only is the wage rate high, but even at that rate, adequate labour supply is not forthcoming.

Transport and Communications

Transport facilities consist of road network and coastal shipping. There are no railways at present in the country nor are there any plan to build them. The light railway from Benghazi to barce ceased operation in 1964 and the coastal railway from Tripoli to Zuara closed in 1962 and the track was lifted. Hence, the entire passenger and cargo traffic is handled by road vehicles and coastal ships. In 1967, there were about 4000 kms. of hard surface roads. A major road development programme to build more than 1400 kms. of highways was started in late 1965. This includes a continuous road connecting the Egyptian and Tunisian borders. The main emphasis in the development plans is to provide better communication facilities to the growing industries and commerce.

Power

Under the impact of rapidly rising economic activity, demand for electricity has gone up at a phenomenal rate. Total installed capacity which stood at 30 MW in 1963 increased to 230 MW in March 1969. In 1969 urban centres, electricity is generated in big thermal plants based on gas/fuel oil while small diesel sets are in use in rural areas. An interconnected grid system is slowly being built up.

The power system operates at two different voltages. In Tripolitania, domestic supply is given at 110 V, while 220 V is common in Cyrenaica. In the latter region the LV transmission was at 400 V which is now being changed to 380 V. The high voltage transmission is effected at 10.5, 30, 60 and 150 KV. In Tripoli region, however, the corresponding voltages are 6.6, 10.5, 33, 66 and 132 KV. No uniform voltage system is expected to emerge in the near future. Intending exporters of electrical accessories and equipment will, therefore, have to be careful as to the geographical location of the end users and supply the equipment accordingly.

The loan is 99 per cent domestic and commercial. Industrial load has not developed as yet. Yet the load factor is reportedly high, especially in winter.

During the Second Plan, the Government proposes to electrify all villages. Installed capacity is expected to go up to 662 MW by 1974. Detailed information on the location of new plants, their sizes, type of fuel to be used are not available. But the programme will create a demand for generating equipment, transmission lines, cables and wires and other electrical accessories including lamps, switches and electric appliances.

Currency

After independence, a new currency called Libyan pound on par with pound sterling was created. The £L is divided into 100 piastres of 10 milliemes each. Libya is still in the sterling area, but the currency was not devalued along with pound sterling in November, 1967. From this date, Libyan pound was disengaged from pound sterling and daily rates of £L were fixed in parity to gold and not to sterling as was the case before. Currency is backed by 100 per cent foreign exchange. The par value of the Libyan pound as agreed by the I.M.F. in 1959 is 2.80 US dollars per pound.

The international liquidity position of Libya has been very sound as is evident from figures given below :

(In Million $)

Year	Gold	Position in IMF	Foreign Exchange	Total
1963	7.0	3.8	112.2	121.9
1964	16.9	3.8	151.2	171.9
1965	67.7	3.8	174.3	245.8
1966	67.7	4.8	266.6	339.1
1967	67.7	4.8	312.6	385.1
1968	85.3	4.8	448.7	538.8

Source : IMF - International Financial Statistics, March, 1969.

Banking

At the apex of the banking system is the Bank of Libya, which was reconstituted in 1963. Including the banking department of the Bank of Libya there are 100 commercial banks of which 5 are Libyan. The Banking Law of 1963 stipulates Libyanisation of foreign banks operating in the country, with 51 per cent Libyan ownership. The policy is being implemented. It appears a few foreign banks have not shown a desire to comply with the regulations. The banking system is still dominated by foreign banks among which Italians are prominent. Britain, France, the U.S.A. and the UAR are other countries having banks in Libya.

In addition, the Government owned Agricultural Bank and the Industrial and Real Estate Bank cater to medium term credit needs of agriculture, industry and real estate. A royal decree of 1966 had abolished interest on all loans granted by Government institutions.

A very rapid and sudden increase in income levels generated by huge expenditure incurred under programmes of development and by oil companies' have created excessive demand for all types of products - final consumption articles and intermediates. In spite of enormous increase in imports, the Libyan economy did experience inflationary pressure. No price indices are constructed officially which would have shown rise in prices. But it is officially reported that the economy experienced an annual average rate of price increase of about 10 per cent during the First Plan period (1963-68), while in certain sectors, notably construction and services a higher rise in prices was noticed.[1]

Development Plans

Since attainment of Independence, the Libyan Government has been formulating various programmes for economic development. Achievement of rapid growth of the economy was handicapped due to shortage of investment funds. Discovery of oil in the early sixties, however, changed radically the situation. In 1963, a law was passed which prescribed that 70 per cent of all revenue from petroleum be earmarked for purpose of development.[1/] As a result huge funds have started flowing into Government coffers which enabled the planners to formulate ambitious programmes for bringing about all round economic and social development. Realising dangers involved in an exclusive dependence on the oil sector, great emphasis was placed on diversification of the economy so as to maintain prosperity even after oil resources are exhausted.

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[1] Second Five Year Plan of Libya - 1969-1974 (Unpublished)

It was with this view that the First Five Year Plan was drawn up in 1963, envisaging a total outlay of £L 169 million. Subsequently the allocation was nearly doubled to £L 337 million owing to increased availability of oil revenues. The major objective of the First Plan

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1/ Law No. 5 of 1963 for organisation and planning and Development Affairs. Part IV, Article - 11 of this law states that "Development Programmes of the State shall be financed from one or more sources.

1. Funds allocated to development provided that such funds are not less than 70 per cent of the petroleum revenue
2. Loans
3. Funds under International Agreements
4. Any other funds."

was the construction of physical infrastructure, development of agriculture and provision of houses to the local population. The Plan was extended by one year to complete the works undertaken during the period.

The country launched its Second Five Year Plan (1969-73) in April 1969 with emphasis on the development of productive sectors, like agriculture and industry, particularly petro-chemical and energy-based industries. The total investment proposed over the five year period is £L 1149 million ($ 3217 million). The sectoral allocations are shown in table 8.

The Second Plan envisages a doubling of the gross domestic product and gross national product at factor cost. Annual average rate of growth is expected to be 14 per cent. This is low compared to that in the First Plan which stood at 28 per cent in real terms. Decline in the rate is due to expected slow growth of the oil sector as it determines trend of the economy. Compared to over 45 per cent average annual growth rate of oil sector during 1962-67, the Second Plan growth rate is expected to be 14.3 per cent per annum. Though petroleum sector is expected to retain its dominant position with a contribution of over 54 per cent to gross domestic product by 1973, rapidly growing sectors will be manufacturing industry and electricity, where value added is expected to increase at an annual average rate of 20 per cent. Investments in construction activities are expected to decelerate as compared to the First Plan period and hence the growth rate is put at 12 per cent a year. A growth rate of 5 per cent a year has been envisaged for agriculture, keeping in view heavy investment programmes proposed for its improvement. The services sector will grow roughly at rates ranging from 13 to 15 per cent a year with the exception of vital services like education and health which would receive special emphasis and hence gr grow at the target rate of 16.9 per cent a year. Between 1967 and 1973 the per capita income would rise from £L 352 ($ 986) to £L 612 ($1714), almost equal to that of Great Britain.

SECTORAL PROGRAMMES : Agriculture

Agricultural development during the Second Plan is one of the key areas for concentrated effort with a view to improve productivity. A sum of £L 150 million, which is almost equal to the value of agricultural output in five years, is proposed to be spent. Of this roughly 40 per cent is allocated to marketing, credit and subsidies, 20 per cent to the development of water resources and soil conservation, 11 per cent to agricultural settlements which largely consist of settling the Libyans on the farms being taken over from Italians, 11 per cent to the new agricultural settlements and 10 per cent to improving agricultural roads. India can fruitfully collaborate in development of water resources like construction of dams, digging wells and construction of agricultural roads with a view to find an export outlet for manufactures like diesel engines, irrigation pumps, spray irrigation equipment, etc., and for service contracts like road building.

Manufacturing

Investments have been stepped up in the Second Plan to foster industries geared to the local market. As against £L. 11.6 million allocated in the First Plan, the investment proposed in the Second Plan is £L 40.6 million, out of which £L 15 million are earmarked for industrial loans and the remaining sum is devoted to industrial research, training of industrial workers, etc. The Second Plan envisages establishment of a few industrial units based on local resources. The Government of Libya has kept industrial field wide open to private enterprise, including foreign firms. But if private entrepreneurs do not come forward, the Government is determined to start the listed units. The proposed industries would invariably require foreign collaboration, as there is very little technical know-how available within the country even to start industries requiring rudimentary skills. In many lines India has required know-how to start industries in Libya. However, there appear to be a number of difficulties in successful operation of proposed units.[1]

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[1] See Chapter VII.

Other important programmes included in the Second Plan, which will create considerable demand potential for men and material are : construction and extension of the two ports, expansion of two airports and construction of terminal buildings, construction of 100,000 houses under the Idris Housing Scheme, hospitals, schools and two electric generation plants - one at Beida and another at Murza. The proposed expenditure on these projects runs over to £L 500 million. This will be a fruitful field for India to exploit. Indian exporters should aim not only at capturing a share in commodity imports but by winning tenders for construction to increase export of 'services'.

Prospects

As stated earlier, with huge oil revenue every year, there is an earnest desire on the part of the authorities to diversify the economy, so that prosperity that has come can be maintained and preserved. At present, prosperity is exclusively dependent upon oil. Knowledgeable official circles in Libya believe that with the present discoveries of oil boom may not continue beyond another 20 or 30 years. If new fields containing fresh oil resources are discovered, the economy will continue to prosper for a longer period.

In the immediate future, however, it can be assumed that overall financial targets fixed for the economy more or less, may be achieved. Doubts are however expressed about the attainment of physical targets fixed for agriculture and industry, in view of basic shortage of some essential inputs and prevailing high wage structure. Even the World Bank Mission which recently visited Libya opined that the commencement of the Plan should be postponed by one more year in order to complete various projects taken up during the First Plan. They also felt that the feasibility studies of programmes included in the Plan were not realistic and more work needed to be done. In this connection, the observations made by the Minister of Planning and Development regarding the odds against achievements of the planned targets are worth quoting : "while oil provided funds with which to finance investment projects designed to diversify structure of the economy and increase its productivity, it also made attainment of that objective seem unrealistic. Thus, sudden injection of substantial funds into an underdeveloped economy with its inflexibility of supply and low level of technology, produced a situation of extremely high profits in real estate business and service sectors.

Against this situation such normal activities as agriculture and industry, however, much attractive Government wished to make them, were not able to compete for necessary factors of production, especially when we take into account extreme shortage of skilled manpower and managerial talents in the country".

This, in brief, sums up the dilemma of development in Libya. Though the Government is determined to push through the Second Plan, as framed now, it is doubtful whether the targets laid down could be achieved. There are no financial constraints on programmes included in the Plan, but the availability of physical and human resources can be seriously doubted. Doubts expressed by the World Bank Mission about the feasibility of the Second Plan should be seen in this context. If the projects are completed, there will be huge demand for various types of construction materials, industrial raw materials, agricultural machinery, besides consumer goods, which the country is bound to import for many years to come. It should be emphasised that even if only a part of the programme goes through, there would still emerge an expanding demand for goods of all types for many years. Thus Libya should remain a coveted market for all exporting countries for another decade or so.

PART TWO

TRADE

Chapter 2

MARKET STRUCTURE

The phenomenal expansion in crude petroleum production and its exports has resulted in an unprecedented increase in the national income of Libya. As noted earlier, the national income increased at an annual average rate of 23.7 per cent during 1963-67. The per capita income increased to $ 893 (£L 319) in 1967 fo from a low of $ 40 (£L 14) in 1952. By the end of the Second Plan (1974), per capita GNP at 1967 prices is expected to reach a level of $ 1714 (£L 612).

Increase in Consumption

Along with rising incomes, the consumption, both private and public, has increased by leaps and bounds. Expenditure on consumption, which averaged £L 285 million between 1963-67, is expected to reach £L 822 million in 1973. Domestic production capacity in agriculture and industry is very much underdeveloped. As a result, Libya imports nearly 90% of its requirements of consumption articles and almost 100 per cent of capital goods.

Increase in Imports

During the period 1963-67, value of imports increased at an annual average rate of 30 to 35 per cent. Imports increased from £L 6.9 million in 1950 to £L114.4 million in 1965 and further to £L 230 million in 1968. Considering the limited size of population and the market, it could be presumed that a saturation point has been reached in import trade. However, the Government and trade circles expect expanding trend in imports to continue through the Second Plan period and even beyond. These hopes are based on Government's determination to push through a development programme which will involve almost threefold increase in development expenditure in next five years. The programme is expected to generate demand for various types of industrial and agricultural machinery, construction materials, transport equipment, etc. Besides, oil companies would be importing goods worth over £L 50 million per annum as a consequence of their expanding operations. Rate of expansion in imports of consumer goods may be slightly lower, but total demand is expected to be sizable.

Demands for various types of consumption goods is rising steeply as a consequence of larger and fast growing population and rapidly rising income levels. Trade with Chad, Niger and Tunisia (a part of which is accounted by smugglers' activities) also adds to the import bill. Faced with balance of payments difficulties, these countries have imposed severe restrictions on imports. Tariffs also are quite high. Thus it is estimated that nearly 30 to 40 per cent of cotton and allied textile goods imported into Libya find their way to neighbouring countries. This kind of trade, is reported to be expanding at a fast rate because of lower tariffs imposed on consumer goods. Maintenance of strict vigil on extra-legal trade is almost impossible because of long border which Libya has with these countries.

Market Characteristics :

As in some of the under-developed countries, two market segments can be distinguished in Libya : one catering to the educated and rich Libyan elite and foreigners, and the other serving the lower middle class and poorer sections. Retail price structure and the quality of products sold distinguish the markets from each other.

Origin of such a compartmentalisation of the market can be traced to the disparity in income distribution. The oil boom has, no doubt, brought prosperity to almost all sections of the population, thanks to benevolent policies pursued by the Government. But one can easily identify a small and more prosperous section, covering importers, commission agents, contractors and government employees who have amassed wealth in a short period. The educated and the technically qualified persons are so much limited in relation to job opportunities created by oil prosperity that, rapid accumulation of incomes in a few hands was inevitable. In addition, the Government policy allows employees to take up commercial and other jobs and this has opened up further opportunities to accumulate wealth. As a result, one notices many engineers, doctors, civil servants doing import and export business, construction jobs, etc. , Multiple employment of the educated is a commonly observed phenomenon. All this has further widened income disparities, which in turn explains the existence of two clearly distinguishable market segments. Of late, the traditional oriental-type market is also being influenced by the main-stream of development because of fast rising incomes of the rural population, extension of communications to interior areas, increasing urbanisation, etc.

The upper strata of society is served by western type supermarkets and departmental stores marketing sophisticated branded products. These products are imported mostly from Western Europe and the U.S.A. The traditional market catering essentially to the middle income and poorer sections is unorganised. Brand consciousness is still unknown. Price is the only consideration. Even in respect of prices, there is imperfection. The amorphous character of the market can be judged by the fact that recently Pakistan was able to sell 100 ratio sets in competition with low priced, better quality Japanese products. The importer as well as the consumer is still not able to discriminate quality. Products sold in this segment are mostly imported from Eastern European countries, Communist China, Hong Kong, India, Pakistan, and other countries who have not yet established reputation for quality.

As could be expected, import trade and hence virtually all trade is concentrated around the coastal region, more particularly in the two cities of Tripoli and Benghazi. About one-half of import trade is handled by Tripoli port and one-third by Benghazi. The rest is handled by smaller ports such as Tobruk, Derna, Rasel Helal, etc. The first two towns are virtually the nerve centres of the Libyan Trading system. All important commercial agents, trading houses, importers, building contractors, oil companies and government offices are located here. Naturally these two towns, besides serving local population, also cater to interior markets.

Another noticeable feature of the Libyan market is the prevalence of very high trade margins. Generally speaking, trade margins vary between 50 to 100 per cent depending upon turnover and nature of products. While general rule is to change 100 per cent trade margin in certain selected slow moving items, even 200 per cent mark-up is not uncommon. High trade margins are explained by exorbitant rents, the small size of market, high wage rates and general inflationary conditions.

The Government is aware of high trade mark-ups and has constituted a committee, through a Royal Decree[1] called the "Central Committee for Price Control" in the Ministry of National Economy with a view to fix prices and/or profits for a large number of commodities.[2]

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[1] Royal Decree of the Law on the control of prices, Law No. 16 of 1962 which was replaced by a new law passed in 1965.

Although law provides for deterrent punishment to those who sell at prices above those fixed by the Government, it is observed more in breach than in practice, except in the case of a few products like television sets, sugar, cigarettes, etc.

From the point of view of market characteristics, Benghazi market is slightly different from Tripoli. It is more oriented towards the East and has an oriental touch. The difference owes its origin to different ways of life, eating habits and other basic variations between the peoples of Cyrenaica and Tripolitania. For example, products like fresh fruits, Nestle's milk cream, etc., sell very well in Benghazi, but not in Tripoli. Italian influence is very much less in Benghazi. Benghazi is more oriented to British and German goods. Even the voltage of domestic power supply is different from that in Tripoli. As most of oil-fields are located in Cyrenaica.

2/ A list of such commodities subject to price control is given in Appendix 3.

imports of oil companies are effected through Benghazi port. Benghazi will experience a faster growth during the next decade than Tripoli.

Distribution Channels:

Lack of domestic production base in agriculture and industry has made import trade a very lucrative occupation. Until a few years ago, the entire import trade was controlled by Jewish and European firms, who made considerable profits. In order to protect national interests, the Government enacted the Commercial Agencies Law in 1959, which was further amended in 1967.

Import trade is canalised through commission agents. Absence of any rigid import control has turned even the smallest dealer into an importer. The average importer is illiterate and not conversant with trade procedure. Even when literate, he has little inclination and no staff for correspondence. Commission agents have filled the gap and thus become an important link between the local importer and foreign exporter. The passage of Commercial Agencies Law, which restricts import trade to nationals, has increased number of importers to a level beyond requirements.

Realising importance of the Commission Agency the Government has prohibited non-nationals from holding commercial representation of foreign firms and has restricted the maximum number of agencies that can be held by a single firm to ten. However, the latter restriction is not observed in practice.[1]

In view of legal restrictions, any exporting country must find local agents to promote sales of its goods. The necessity of having a local agent is brought home by the fact that even import of samples has to be cleared through a registered Libyan agent.

Total number of commercial agents is reported to be around 150.[2] Commercial agents in a few cases are the biggest importers and wholesalers. But in general they do only agency business, getting their commission from exporters. As skills required for handling import trade are few and far between, agents employ foreigners (Italians, Pakistanis and in a few cases Indians) in key positions. These aliens are in a position to select products and countries of supply.

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[1] This restriction has also been now formally abolished.
[2] A list of selected commission agents is given in Appendix 10.

Existence of numerous importers in Tripoli and Benghazi has eliminated wholesale trade. No one goes to a wholesaler for replenishment of stocks except in emergencies arising out of delay in arrival of goods or exhaustion of stocks. However, mofussil markets are supplied by commission agents - importers. There is no clear-cut hierarchical structure as importers - distributors and dealers.

Though the number of commission agents is quite large vis-a-vis the size of the market, really important agents are quite a few, not exceeding 20/25 in number. These firms are very influential in the market and with the Government. European concerns have already established agency arrangements with these firms. The possibility of interesting these firms in Indian products is rather limited, at least in consumer goods.

Libyan market is fiercely competitive. There are hardly any import restriction, productwise or countrywise.1/ Merchandise from all over the world including Peoples' Republic of China finds its way to Libya. Competition is mainly centered on price, prompt delivery and maintenance

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1/ Imports from only four countries are prohibited on political grounds.

of quality as per sample. The Communist countries have entered the market in a big way bringing down prices of textiles and other consumer goods to a very low level. Established exporting countries like Italy, Britain and Germany find it difficult to withstand the competition. Communist China has earned an excellent reputation as trader. By concentrating on a few products and operating on low profit margins (it is reported that their exports are even subsided or politically priced), China has increased its exports to Libya from £L 23,000 in 1962 to £L 4.3 million in 1968.

Additionally, the Chinese are quite scrupulous about quality and delivery schedules. This has earned for China such credibility in the market that Letters of Credit are opened for as long as six months and even for a year, as against general practice of validity of two months. The quality of Chinese trading services is so high that instead of their agents visiting Libya for business, the Libyan commission agents/importers visit China for placing orders. Per contra, India, Pakistan and to a certain extent, Hong Kong have earned bad reputation on prices, quality of shipments not conforming to samples, and on delays in shipments and consequent extension of credit.

Unless above deficiencies are set right, India has no hope of increasing trade with Libya. A few Indians employed in important commercial agencies have expressed their readiness to promote Indian products, if reliable Indian parties send their quotations followed by personal visits to convince Libyan importers about the range and quality of their products.[1] In the past visits of Indian businessmen have been too short to explore and assess business opportunities. Because of intense competition, short visits do not yield results. Even when trade opportunities were there, Indian exporters did not show any initiative to book orders and push their products. It is reported that some of Indian visiting representative did not bother to send quotations and necessary samples, even after a lapse of 6 to 7 months. There have been several instances of Indian parties not supplying goods even after placement of orders and opening of L/Cs. To restore confidence in Libyan minds, in the shortest possible time, all deficiences should be made good.

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[1] It is reported that despite the proximity and the established trade connections, about 200 British businessmen visit each month to keep up contacts with Libyan agents and canvass for new business.

As bigger Agency houses are fully booked by firms from Western Europe, U.S. and Japan, they may not be willing to represent Indian firms, unless big business is forthcoming. Some of internationally well known Indian firms can hope to get themselves represented by big Libyan agents. But for many products, Indian firms might have to go to the second best importers. These latter are relatively inexperienced and do not have a network of distribution outlets or the expertise in introducing and promoting new products. However, if Indian exporters offer necessary assistance and supply goods regularly, it should be possible to expand trade. In respect of industrial and agricultural machinery, Libyans have to be initially trained to enable them to provide after sales service effectively. Kirloskar Oil Engines Ltd., gave their agency to a relatively unknown party in Libya. However, with the passage of time, the agent picked up a good business with the guidance and training received from the Indian side. Other Indian firms can easily emulate the example of Kirloskars in promoting their products.

Credit :

Though the economy is financially quite strong, importers sometimes do face tight monetary conditions. Overtrading is common. Inability to gauge market trends correctly leads to overstocking. Further, as there is no way to know how many consignments are ordered by competitors, the market is at times flooded with competing products. Thus, at the moment Benghazi market is overfull with hosiery goods and hardly there is any chance of selling this item for another 6/7 months.

Under the circumstances, bills remain unpaid for a long time. The Banking system is not in a position to fill the gap. Exporters should be very careful in selecting agents. Indian Mission in Tripoli should be able to brief exporters on the financial status of the Libyan agents. This note of warning is necessary, as many exporters may get the impression that in view of ample foreign exchange reserves, payments problems do not exist in Libya.

Shipping:

There are regular shipping services between Europe and Libya, operating from the Mediteranean and Adriatic seaboards. Ships on Europe - Far East lines also call at Tripoli. VNS and the Mistsui Lines generally carry goods from Communist China. Of the two ports, Tripoli and Benghazi, Tripoli handles a major part of the import trade. About half of the commercial ships calling at Libyan ports enter Tripoli and about one-third Benghazi.

Shipping trade between India and Libya is governed by the India-Pakistan-Middle East conference. Though three Indian shipping companies 1/ are members of the Conference, only two companies, viz., the Shipping Corporation of India and Scindia Steam Navigation Company, participate in Indo-Libyan trade. Even then, there are no regular shipping services. Indian ships call at Tripoli only when there is adequate cargo offering. A major portion of Indian exports is carried by Japanese, Yugoslav and other foreign liners, mostly on transhipment basis.

1/ These three companies are : The Scindia Steam Navigation Company, the India Steamship and the Shipping Corporation of India.

Tripoli port is quite small by international standards. The depth of the port is 30' and width 260'. Ships not exceeding 27'6" maximum draught can enter the port. Pilotage is compulsory. Storage and handling facilities are adequate. The port at times gets congested, when major shipping companies impose penal freight charges for calling at Tripoli.

There are a large number of shipping agents in Tripoli and hence competition is quite keen. Shipping agents are responsible for stevedoring and lighterage operations. A 60-ton floating crane is available for heavy lifts. There are 12 mobile cranes of 3 to 10 tons capacity.

Benghazi port is smaller than Tripoli. All facilities are provided at this port too and considering the total turnover, they are adequate.

Publicity:

Being a small and limited market, not much publicity is evident. Usual media are newspaper advertisement and roadside posters. It appears that not many foreign firms engage in advertising. The crucial role of commission agents for promotion of goods is recognised.

Fairs are considered the best medium for popularising products. Every year around February or so, the Government arranges an International Fair at Tripoli for which a permanent exhibition ground has been erected. The Fair is considered as one of the ways of diversifying Libya's import trade and thus increase competition in the local market. So far about 20/25 countries are participating in the Fair on a regular basis. India is one of them, though she did not participate in 1968.

Indian participation in 1969 evoked several comments. Sales at the Fair totalled Rs. 477,104. But the selection of exhibits, management of the pavilion, etc., left much to be desired. The main emphasis in the Fair appeared to be on across the-counter-sales. No effort was made by participants to contact agents/importers for booking orders and maintaining a long term liaison which would have resulted in a steady business. Display items were limited to a few consumer goods. Exhibition of across section of engineering goods such as pumps, electrical accessories, builders' ware, automobile parts, small tools and hand tools, etc., would have created a good image of India as an industrial country. Besides, these are the types of goods for which demand is likely to expand in the near future.

Libyans showed keen interest in imitation jewellery, decorative chappsls wrist-watches, ready made garments, gramophones records, Leela Lace, etc., which were no doubt exhibited and sold like hot cakes. But then, one has to be clear as to the ultimate aim of participation in the fair. Is the emphasis on across-the-counter sales once in a year or on a steady flow of trade over the year by awakening Libyan interest?

India's future participation should be planned quite in advance by cordinating various steps to achieve the given objective. Reportedly, there was complaints about late arrival of shipping documents and consequent difficulties in customs clearance. The emphasis on across-the-counter sales would reduce participation to the status of a roving country dealer visiting temple fairs. Participants must explore the market and find out reliable dealers who would do marketing on a continuous basis.

It is worth noting that the British participation resulted in firm orders to the tune of £ 50,000 and serious inquiries to the tune of £ 3 million.

It is suggested that Indian Mission at Tripoli should be taken into confidence while selecting exhibits. The mission would be in a position to indicate items for which there are likely to be long-term prospects. The Libyan market is small; besides a few Indians are in commercial line and should be in a position to indicate items for which demand prospects are good. The Mission could easily collect this information including prices and pass it to competent authorities in India.

Finally, it may be mentioned that individual countries also organise 'country' fairs wherein their manufacturers exhibit their goods. Recently Italy organized such a fair in Benghazi. It is perhaps too early for India to think in these terms. But Libya should be included in the itinerary, if Indian authorities are organising such fairs in North African or Middle Eastern regions. With little newspaper advertising, fairs have become an important advertising medium.

Chapter 3

FOREIGN TRADE POLICY

Formulation of a pragmatic foreign trade policy keeping in view the economic development of the country and its needs has been one of the main areas of interest for the Libyan Government since attainment of independence. Foreign trade policy was first enunciated by Law No. 59 of 1957, which was replaced by Royal Decree No. 38 of 1968. The decree established an Import & Export Board consisting of the Director of the Ministry of National Economy as President and representatives of the Department of Customs, the Central Bank of Libya and Ministries of Finance, Industry, Agriculture, Planning & Development. The Board is an advisory body. It frames rules and regulations concerning import and export operations, licences, prohibitions and quotas. It makes recommendations to protect local industries and specifications of goods in order to promote agricultural and industrial production. It supervises operation of laws pertaining to classification of imports and conditions of sale. The Board tenders opinion on trade policy, customs duties, trade agreements and other related matters concerning foreign trade. Thus, the Board has been assigned diverse functions including those of a Tariff Commission.

Import Restrictions

Prior to oil boom, Libya, like any other developing economy, faced with shortage of foreign exchange had to follow a policy of rigorous import control. Oil prosperity has loosened rigour to a great extent. With comfortable payments situation, Libyan authorities have liberalised importation of goods to meet rising demand for various types of consumer and industrial types of goods. It is estimated that nearly 90 per cent of import trade is free from any type of control. A large variety of commodities can be imported under open general licence. At present only about 32 items require import licences. The list includes cereals, alcoholic drinks and spirits, fresh fruits, building bricks and tiles, petroleum and petroleum products, etc., whose importation is controlled either on social grounds or for protectionist reasons. Appendix 3 gives current list of restricted items.

The Government of Libya is the sole importer of items like gold, sugar, salt, tobacco, cigars, cigarettes, and cigarette paper. Approval of the concerned ministries is also required before an import licence is issued for some specified commodities. Examples of such items are fire arms, fireworks and explosives, drugs and pharmaceuticals, seed grains, live animals, olive oil, vegetable and animal oil, second-hand clothing, used machinery and other second-hand merchandise (Appendix 4).

Import licence is valid for 3 months if goods are imported from neighbouring countries. In respect of other countries, licences are valid for 6 months. Extension of import licences upto a period not exceeding half of the original period is normally granted, provided application is made before expiry of the licence. Licences may be granted for longer periods, in respect of selected products like industrial and agricultural equipment, if they are to be manufactured according to the specifications of the importer.

Persons having registration under Commercial Law are entitled to get licences for import of restricted goods. Individual persons are allowed to import goods in restricted category valued at or less than $ 5,600 for personal use without specific import licence. Exports to and imports from Israel, Portugal, Rhodesia and South Africa are completely prohibited.

From the above it is clear that import trade is fairly free with few restrictions either on sources or quantities. As a result almost all countries of the world are trying to sell their products. Imperfect market conditions in Libya and an almost unrestricted freedom to import have induced imports of highly sophisticated articles as well as sub-standard products. This has made the market intensely competitive, where the criteria are price and regularity in supplies.

From Indian angle, there are a few items like sugar and tobacco, which come under restricted category. But, by and large, many of Indian manufactures which are exported at present or have bright prospects in future can be imported under an open general licence. In the present situation of rapidly rising incomes and inelastic domestic production base, restrictions on import trade are unlikely. Tariffs, the only instrument for regulating trade, are sparingly used.

Exchange Control

Immediately after independence, Libya joined the Sterling Area and hence exchange regulations are more or less patterned on the British style with some modifications designed to accommodate special circumstances and needs of the economy. The exchange control law was passed in 1955, but came into operation only from the beginning of 1958. Because of the fear of large scale transfers by Italians who were intending to leave the country permanently severe exchange controls were imposed in the beginning. Controls were liberalised on improvement in foreign exchange position consequent on rapid expansion of oil exports. Complete elimination of restrictions may not take place in the forseeable future, as the authorities still fear a large out-flow of resources, this time from the Jewish Community. Italians and the Jews had held major interests in the business in the past. Although many of the Jews left the country following 1967 riots, they still hold titles to their properties. In the event of any liberalisation, it is feared that the expatriate Jews will take away all their assets resulting in depletion of reserves.

Exchange restrictions are applicable only in the case of capital transfers. Remittances of expatriate persons employed in Libya to their home countries are freely allowed. Similarly, the authorised banks are permitted to approve payments on account of interest due on on non-resident accounts, for expenses arising from approved trade transactions, and other incidental charges.

Foreign exchange is available freely for import of merchandize. Authorised banks are permitted to issue foreign exchange permits provided the importer has obtained necessary import licence and or a valid contract has been entered into between the importer and the exporter. There are no restrictions on opening of letters of credit. Importers are required to present a 'declaration of imports' issued by customs authorities within two months from the date of issue to an appropriate Bank to get necessary foreign exchange allocation. Such declarations must include statements regarding value of merchandise.

Inflow of foreign capital is controlled, but no impediments exist if it can be shown the capital so brought is utilised for economic development of Libya. Under new Foreign Investments Law of 1968, repatriation of capital invested in Libya and profits accrued thereon is guaranteed. Although there are no restrictions on inflow of capital for investment in commerce or deposits in banks, concessions given to industrial investments are not applicable.

Tariff Structure

During the period before oil boom, when Libya was having trade deficits, heavy tariffs were imposed on almost all items mainly to increase revenue and discourage imports. Customs duties formed about 90-95 per cent of the Central Government revenues. Of this, import duties formed nearly 98 per cent of total customs receipts, while export duties and other miscellaneous duties accounted for the remaining 2 per cent.

Tariffs were scaled down in the wake of prosperity induced by oil exports. Revisions have been made with the object of protecting local industries and at the same time allowing import of merchandize to combat inflation caused by sudden increase in incomes. Drastic changes in tariffs were effected in 1965, when duties on some basic consumer articles were either reduced or abolished, while duties on industrial machinery and raw materials were rationalised.

The latest revision of the tariff changes was announced in early 1968. The general purpose of these changes is to help local manufacturing industries by giving production. Duties on import of luxury items were increased. For instance, the duty on motor cars upto 1500 cc was raised from 25 to 35 per cent and for cars of more than that capacity from 40 to 50 per cent. Other items on which import duty was increased were beer and whisky, air conditioners, radios, etc. Except beer, none of the items on which duties were raised are manufactured in Libya. As such, it has to be presumed that upward revision in the tariff schedules in the case of luxury items was done to make up for the loss of revenue amounting to $ 2.8 million as a result of lifting of duties on a number of chemicals, components and raw materials, including glass, leather for manufacture of shoes, components for batteries, etc. Existing tariff rates on items important to India are shown in Appendix 5.

An additional import duty of 5 per cent was imposed on all imports from August, 1968. Revenue therefrom is proposed to be used for the welfare of the poor and the needy. The duty, prima facie, appears to be a revenue measure. The expected revenue is of the order of $ 20-22 million.

Most import duties are on an ad valorem basis. There are certain categories of items which attract specific duties like fish and fish products, tea and coffee, fruits, bear and alchohol.

Trade Agreements

Although Libya follows a policy of least interference in import - export trade, it has concluded a number of trade agreements with neighbouring countries with a view to expand trade. The first trade agreement was signed with the U.A.R., which was amended and replaced by a new agreement in 1968 under which import and export transactions were given the most favoured nation treatment. The earlier agreement had a payments clause, but with comfortable foreign exchange reserves, Libya is not in need of it. Other countries having trade agreements with

Libya are Greece, Tunisia, Morocco, The USSR, Chad, Niger, Turkey, Jordan and Malta. A list of trade and economic cooperation agreements concluded by Libya are given in Appendix 6. India does not have a trade agreement with Libya.

Most trade agreements entered into by Libya only express goodwill and are not designed to increase trade with specific measures. They are essentially most favoured nation agreements. However, some preferential treatment is accorded to Arab countries, at least on paper. Agreements list out commodities to be traded between the two participating countries, give an undertaking not to resort to switch trade and accord the most favoured nation treatment to goods manufactured in each other's country.

Some trade agreements also provide for settlement of payments resulting from exchange of merchandise and other current operations such as diplomatic missions, etc. Payments clause has become inoperative since oil boom.

Libya has also concluded six technical and economic cooperation agreements providing for exchange of exports, training and educational opportunities, exchange of knowledge in the execution of projects conducive to the economic development of the participating countries.

Arab Maghreb Union

On the pattern of EEC, the four North African countries - Libya, Tunisia, Morocco and Algeria - have been trying to establish an integrated economic union. Some specific areas where such cooperation is sought to be established are preferential treatment in trade transactions and customs, industrial cooperation, provision of finances for developmental projects, etc. To-date proposals for cooperation in various fields are in an exploratory stage. In view of the complexity of problems that have to be sorted out, it is unlikely that this Union will take shape in the near future.

Import Procedure

As there are very few import restrictions and only a small number of items are subject to licensing import procedure is similar to that obtaining in some of the free trading countries of the world. Libyan importer, being illiterate, is unaware of the intricacies of correspondence and preparation of the documents in conformity with government regulations and generally takes the assistance of a commission agent, who corresponds with overseas suppliers, prepares all the documents and completes all other formalities. Once the importer has decided about the placement of an order, the commission agent prepares the order sheet which is sent to the overseas supplier for his acceptance. If the overseas supplier conveys his approval to supply goods at prices indicated in the order sheet, the Letter of Credit is opened through the Bank. The Government of Libya does not, however, insist on the opening of letters of credit. As such roughly about 50 per cent of the import trade is handled through the letters of credit. Trade with Europe is mainly on D/P or D/A basis. Terms of sales are always c.i.f. Tripoli or Benghazi.

Documents needed for port clearance are the bill of lading, invoice, packing list, and certificate of origin. The shipping agent will hand over to the importer the delivery order addressed to customs, after receipt of goods.

Import Substitution

With confortable foreign exchange reserves, Libyan authorities do not seem to attach serious importance to formulation of programmes of import substitution, although the need for initiation of such measures is widely recognised. With rapidly rising incomes, there are good avenues for starting industries which will diminish import demand for several articles. Major impediment in the way of industrialisation, as discussed elsewhere in this report, is the absence of raw materials and skills. In the First Five Year Plan, public and private investments were diverted to the construction of physical infrastructure and less importance was attached to the development of productive sectors, which would bring about import substitution. In spite of many laws ensuring several facilities for investments in industrial and agricultural sectors, the response is not encouraging.

Mainly through government initiative, some industries have been established in recent years which have correspondingly diminished import requirements. Notable examples are petroleum refining, cement and cement based industries, textiles, furniture, printing and light engineering industries. Although some of these units have gone into production, the impact on imports is only marginal. Even now, share of imported goods in Libya is more than 90 per cent.

Industrial development programme envisaged for the Second Plan is discussed in Chapter VII. Even on the assumption of successful implementation of all schemes included in the Plan, the effect on imports can only be considered meagre. The projected levels of output of important industries in 1964, 1968 and 1973 are given in Table 9. In any case, import substitution policies, as envisaged now would not hurt Indian export interest in any significant way.

Chapter 4

REVIEW AND PROSPECTS OF TRADE

With small domestic production of agricultural and industrial goods, foreign trade has dominated the economy. Exports of crude petroleum generate directly over 50 per cent of the gross domestic product. Although a slower growth rate is forecast for this sector during the Second Plan period (1969-73), its share in G.D.P. is expected to continue around the present level. As could be expected, the dominance of oil sector has forced Libya to import practically all her requirements. In future also it will continue to depend upon imports for a large variety of consumer and industrial articles.

Impact of the oil boom on Libya's balance of trade can be seen from the following figures :

(In $ million)

	Exports and Re-exports	Imports	Balance of Trade
1950	106	196	- 90
1960	11	169	- 158
1961	22	149	- 127
1962	141	206	- 65
1963	336	239	+ 97
1964	620	292	+ 328
1965	797	320	+ 477
1966	995	405	+ 590
1967	1,178	476	+ 702
1968	1,876	644	+1,232

Source: External Trade Statistics of Libya, Ministry of Economy and Trade.

In line with the experience of any under-developed economy desiring to expand and diversify its economic base with limited resources, Libya had sizeable trade deficit on its external account in the fifties. The deficit increased from $ 90 million in 1950 to $ 158 million in 1960, which was financed through external aid. In 1961, oil exports commenced; the deficit continued in 1962, but the gap was reduced to $ 65 million. In the following year balance of trade became favourable. Since then, surpluses are being accumulated at a rapid rate. The trend will continue in the foreseeable future. Surplus on trade account reached a high figure of $ 1,232 million in 1968. These surpluses constitute the backbone of Libya's import capacity. By 1973, exports are expected to reach £L 972 million ($ 2,722 million) and imports £L407 million ($ 1,140 million) still leaving a surplus of £L 565 million ($ 1,582 million).

Balance of Payments

With huge surpluses on merchandise accounts balance of payments has been exceptionally good. (Table 10). The strength of the balance of payments lies obviously in the tremendous rise in exports of crude petroleum. Between 1962 and 1968, Libya's exports increased more than thirteen times while imports rose only by a little over three times.

Net increase in foreign assets is, however, considerably less, as Libya has to transfer funds on account of earnings of the expatriate personnel, oil companies, and military expenditure and other services. Financial support given by Libya to Arab States affected by the June 1967 war (to the extent of about £L 28 million a year) has further cut its surpluses. The ~~balance on~~ capital account was thus reduced to £L 20.3 million in 1967 compared to £L 37.5 million.[1/] This support is likely to continue. Despite financial support, the final balance shows a very comfortable position.

The Ministry of Planning and Development has projected the trend of balance of payments over the Second Plan period (Table 11). If the expectations of the Ministry are fulfilled, Libya will add about £L 395 million to its foreign assets over the period. A rapid

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[1/] These figures have been taken from Bank of Libya and do not tally with the figures given in Table 10. However, the order and direction of magnitudes in both the sets is the same. The format in which the Bank presents the balance of payments is given in Table 11.

rise in merchandise exports (almost all accounted by crude oil) is forecast. Even though imports and service payments are expected to increase, the projected rate of growth is small. Thus, the positive balance on current transactions is expected to go up from £L 20.3 million in 1967 to £L 105 million in 1973. A total of £L 395 million would thus be available for investment abroad during the next five years.

There is reason to believe that the favourable trend in the balance of payments would continue during the Second Plan period and even beyond. As long as oil exports are increasing at present rate, Libya will not face any payments problem. Even at the end of the Second Plan, imports are expected to be less than 50 per cent of exports.

Imports:

Before commencement of oil exports, major portion of imports consisted of goods and machinery required for oil exploration. After discovery of oil, civilian imports have risen at a rapid rate to meet consumption needs. Table 12 gives classification of imports by broad economic categories.

In 1967, proportion of producer goods (Capital equipment and industrial raw materials) was as high as 57 per cent. It has been fluctuating over the years, as it is intimately tied with oil companies' activities and construction boom generated through them. A clear picture of import structure can be had by isolating oil companies imports (Table 13). Though the detailed classification of oil companies' imports is not available for the years 1967 and 1968, totals suggest that they have been significant. Thus they amounted to £L 31.7 million in 1967 and £L 55.6 million in 1968. Roughly they accounted for one-fifth of total imports. Though machinery and transport equipment dominate oil companies' imports, it is worth noting that they import almost all types of consumer goods as well. As companies operate in areas far away from population centres, they have to take the responsibility of feeding and housing their employees. Share of this category of items is steadily decreasing, as Libyans have gradually come forward in providing necessary supplies. Almost all imports of capital goods are either for oil companies or for activities related to their operations.

Possibilities of getting a share in oil companies' purchases are worth exploring, though such efforts have to count against heavy odds involved. Some of the oil companies give contract jobs for small operations. Hence contractors are also importers of capital equipment in a small way. In certain cases, equipment is supplied by the company. There is a good demand for drill pipes, casing pipes (seamless) and tubing pipes.

Oil companies canalise their purchases through their London-based agents. There is a general feeling that they import their requirements only from their own countries, but this is not always true. They are in the market for quality goods at competitive prices. If third countries could supply materials as per specifications, and at competitive prices, they could certainly sell their goods.

Oil companies insist on American Petroleum Institute (A.P.I.) standards. Goods should have preferably API monogram on them. It may be noted that Romanian specifications are exactly similar to A.P.I., but not Russians. It is reported that India now manufactures some oil drilling equipment. If there is any surplus capacity, it can usefully be exported to Libya. However, contacts must first be established with London-based agents. Oil companies also advertise their requirements in reputed journals and invite quotations. At present supplies come mostly from Japan, Italy, Germany and U.S.

The real market potential for India lies in varied import needs of the Libyan economy, exclusive of those on account of oil companies. As Table 12 shows, imports of consumer goods went up by three and half times between 1962 and 1967. It is this area that needs to be catered to in an intensive way. Similarly (and perhaps far more lucrative) is the field of 'non-durable producer goods'. Though the precise connotation of the term is not specified, it is evident that this category includes structural steel, builders' ware and varied items required by the construction industry.

Composition of Imports

Commodity composition of imports is shown in Table 14. Machinery and transport equipment group accounted for about 35 per cent of total imports during 1962 and 1968, followed by basic manufactures, miscellaneous manufactured goods and food and live animals.

Cereals and cereal products, live animals, fruits and vegetables, and tea are important items under food and live animal group. In crude materials group, major items of imports are wood, lumber and cork. Imports of petroleum products will decline owing to the commissioning of the refinery set up recently.

Iron and steel products (cast iron pipes and tubes mainly), non-metallic mineral manufactures (cement, clay refractories, etc.), metal manufactures (such as structurals and parts, metal tanks, boxes, etc.), textile yarn, fabrics, etc., and paper and paper products are important items in the 'basic manufactures' division. Import demand in the "machinery and transport equipment" division is mostly for non-electrical machinery such as machinery for special industries, centrifugal pumps, machinery parts and accessories, transport equipment, mainly road motor vehicles, and electrical machinery such as switchgear, power generators, communication equipment, and radio receivers.

Future Imports

Libyan planning authorities expect import bill to rise to £L 407 million in 1973, an increase of 77 per cent over the 1968 level. This may well prove to be an under-estimate, as per capita income during the period is expected to grow at 19 per cent per annum. In fact, exports which would provide finance for imports would go up to £L 972 million. Further, as the country has hardly any domestic production base almost all its requirements must be met by imports. The Second Plan, no doubt, envisages a slight change in the investment pattern, with emphasis on industrial development. But the programme proposed is too small to make any significant change in the import pattern; further it is doubtful whether the programme can be put through in view of shortage of labour of all types. One can reasonably expect expansion of infrastructure facilities, which would necessitate imports of construction materials, power generation and transmission equipment, transport equipment, etc.

The Plan allocates large sums for education and health. These programmes stand a chance of being implemented. Hence there would be a good demand for hospital ware and educational material.

Though the Ministry of Planning & Development has not indicated the breakdown of future imports by broad economic categories, one can expect imports of non-durable consumer goods to taper off to £L 100/120 million by 1973. Demand for durable consumer goods is bound to increase. But composition of this category would depend on income distribution. It should be possible for India to capture an increasing share in non-durable consumer goods and non-durable producer goods. Chapter VI analyzes export prospects of some individual commodities in these two categories.

Directional Pattern of Imports

Though there are practically no restrictions on countries of origin, imports are limited to a few countries; notably Italy, the USA, the United Kingdom and West Germany closely followed by Holland, France, Japan and Lebanon (Table 15). These countries accounted for about two-thirds of imports in the past few years. Their share is steadily declining. Among these countries, Italy continues to be the main supplier to Libya with a share of nearly 25 per cent in 1968. The predominance of Italy in the Libyan market is due to short transport lead and the consequent freight advantage, particularly in respect of bulky items. Past colonial ties and the presence of a number of Italians in commercial houses are also factors that have to be reckoned with. Shares of the USA, the United Kingdom and West Germany have been declining over the years, while those of Japan, Holland, France and Lebanon have been improving. A gradual shift in the trading pattern is discernible especially in recent years. Percentage share of other countries which stood at 18.0 per cent in 1963 increased to 22.6 per cent in 1968. East Europeans and Chinese have greatly expanded their exports to Libya in textiles, ready made garments and other consumer items, especially of cheaper varieties, as to create a threat to traditional suppliers (Table 16).

Exports - Composition

Crude oil is the single biggest item of exports. Oil exports were not significant till 1960 but since then they have been increasing at explosive growth rates. Before 1960, main items of exports were agricultural products like almonds, citrus, groundnuts, castor beans, unprocessed tobacco and some livestock. But discovery of oil has completely overshadowed traditional export items (Table 17).

Value of exports other than oil was between range of US $ 8 and 16 million which is less than one per cent of total in the period 1960 to 1968. Increased domestic demand has also contributed to decline of traditional exports.

Exports: Directional-Pattern

Main importers of Libyan oil are West Germany, United Kingdom, Italy, France, Holland, the U.S.A. and Belgium. During the period 1963 to 1967 these seven countries accounted for about 90 per cent of total exports (Table 18). In the near future, there is no possibility of Libya exporting oil to countries east of the Suez Canal.

Chapter 5

TRADE WITH INDIA

Indo-Libyan trade has been in the past at a low level. This was to be expected as Libya became prosperous and attractive to foreign exporters only after oil explorations yielded fantastic revenues in the sixties.

Before 1960, apart from low levels of income, proximity of Europe also contributed to low levels of India's exports. The Libyan market, small as it was, was completely dominated by Italians. India exported mainly spices and textiles. On the other hand, Libya had very little to offer to India. Her exports mainly consisted of agricultural products like almonds, citrus fruits, olives, groundnuts and unprocessed tobacco. Exports were directed mainly to Italy and neighbouring Arab countries.

In the sixties, India's exports to Libya picked up and rose to about $ 2 million in 1968 from $ 806,000 in 1961-62 with minor ups and down (Table 19). The trade was still one way as Libya had very little to export to India. Oil prosperity curtailed exports of Libya's traditional products and raised the percentage share of petroleum crude in total exports to 99.9 per cent. India imports its crude oil requirements mainly from Gulf countries. Distance in transport makes imports from Libya uneconomic. Even if the Suez Canal is opened, prospects of imports into India are rather dim. For years to come, India would continue to have a favourable balance of trade with Libya. Libyans, on their side may not particularly mind this one-way trade, so long as their overall payments position continues to be strong. Besides, India is not the only country in this enviable position. Almost all countries in East Europe and Far East have a favourable trade balance with practically no imports from Libya.

Decline in India's Share

Though India's exports have increased by about 140 per cent over last eight years, the performance cannot be considered significant. For, during this period, Libyan market expanded at a rapid rate and even in spite of absolute increase in exports, India's share went down from 0.60 per cent in 1961 to a low of 0.21 per cent in 1967 (Table 20). It is only in 1968 that improvement was noticeable. India's share remained static between 1963 and 1965. The two years 1966 and 1967 were particularly bad for India's exports.

There are quite valid reasons - distance in transport, prices, quality, etc., - for the stagnancy in India's exports, but the fact remains that major sales efforts were not directed to this market. Libya's import potential during the period was immense, and many countries, similarly placed as India in respect of distance, did achieve a major breakthrough and established themselves firmly in the market. The following statement shows performance of selected countries in 1961 and 1968.

Value of Imports in US $ 000'

	1961	1968
1. People's Republic of China	-	12,298
2. China (Taiwan)	652	1,565
3. Hong Kong	879	6,370
4. Japan	5,544	23,752
5. India	893	2,199

Thus in the seven year period, several countries situated in the Far East increased their exports much more than India. It is worth noting that, barring Japan, all the above listed countries increased their exports in commodities like textiles, processed foods, spices and miscellaneous manufactured articles in all of which India had an advantage.

Exports : Composition - Exports

Table 21 shows composition of India's exports during last five years by main commodities. A seven-digit classification of exports indicating exports of important commodities is given in Table 22. It is evident from Table 21 that Indian exports increased in past in the category of miscellaneous manufactures. This category comprises a large number of products such as woollen sweaters and cardigans, cotton hosiery, footwear, woodwork, pressure stoves, imitation jewellery, etc. Manufactured goods (Division 6) show static performance. It is in this category that opportunities should have been exploited.

Indian exporters of woollen goods did a very creditable job last year. Exports of woollen goods increased from $ 0.3 million in 1967-68 to $ 0.9 million in 1968-69. However, there were many complaints about the quality of goods and, if the general feeling among Libyan importers is any guide, this export performance may not be repeated during this year.

If exports of woollen goods are excluded, export performance was far from satisfactory. Exports of tobacco ceased completely after reaching a level of $ 259,000 in

1967-68. Similarly a drastic fall in turmeric exports is noticed. The quality of Indian turmeric is valued highly in Libya and hence the fall is attributable to high prices and supply constraint from the Indian side. In consequence, Singapote and to a small extent Communist China have entered the market. India was the major supplier of turmeric accounting for about 60 per cent for a long time. But its exports came down from 587 tonnes in 1967-68 to 160 tonnes in 1968-69. This happened in an expanding market. As Table 22 shows exports of almost all other items went down in 1968-69. The only items where some headway is noticed are diesel engines, oil pressure stoves and dry cell batteries.

The above analysis shows that even though exports to Libya are steadily increasing, India has concentrated mainly on consumer items. No doubt, there is still scope for increasing exports of hosiery, spices, gramophone records, tea, leather goods, etc., but a saturation point in these articles is inevitable in view of the small size of population. Further, increased sales effort in these lines are not likely to yield better results for two reasons. This is the area where competition is quite keen as almost all countries are trying to push their goods.

Its proximity gives Europe an advantage in respect of quick deliveries. Secondly, East European countries and Communist China have almost demoralised the market by pushing textiles and leather goods at prices which cannot but imply heavy subsidies from their governments. A switch trade (Indian textiles finding their way via East Europe) is also evident.

It is, therefore, necessary to turn to other equally profitable categories of commodities for exploring the market. Prospects of selling construction material, builders' hardware, light engineering goods, electrical accessories, coir, jute, etc., are far more promising. Compared to these opportunities, scope for plastic goods, imitation jewellery, decorative chappals, etc., is more limited. While efforts should continue to expand in known lines, an exclusive concentration would react adversely on total quantum of exports.

Under present economic conditions in Libya, practically anything can be sold, from matches to steel products. The important thing is to find a good agent, for which short stays of Indian exporters are not of any use. Libyan law requires that every exporter must have a local agent. Hence the crucial role of personal contacts is evident. Sometimes a Libyan businessman holds at least two apparently conflicting agencies for the same product. It is said that the exporter who does not visit Libya four times a year is running the risk of losing sales.[1] Libyans in general are not meticulous about correspondence. Further, as they are assidously courted by businessmen from all over the world, inclination to correspondence is further limited. Competition among exporters is intense, but opportunities are immense too.

Another way to promote Indian goods is through winning tenders especially for construction of roads and buildings. Though primarily tenders are for service contracts, they generate demand for equipment, raw materials such as steel structurals, builders' ware, glass, etc. International contractors generally bring these goods from their home country. India can as well emulate the example by entering into contracting business.

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[1] While personal visits are a must in Libyan context, too much importance need not be given to this factor. Communist China has increased her exports at a phenomenal rate in the past few years without a single visit. Price factor and prompt deliveries have induced Libyans to visit China. This shows that visits are not a necessary condition but a sufficient one. Until India establishes her credibility in regard to prices and prompt deliveries, personal visits become necessary for trade promotion.

Problems

While there is immense scope for increasing India's exports judging from the health of the Libyan economy, there are quite a few stumbling blocks which must be overcome to accelerate sales.

First and foremost among the problems is shipping. There are no regular shipping services between India and Libya. The two Indian shipping companies operating on the Adriatic route call on Tripoli/Benghazi only if there is sufficient cargo to justify the trip. The other alternative is transhipment which is costly as well as time consuming. Once in a while, direct ships operating on Far East-Tripoli line are available provided they call at Bombay or Calcutta. Further, the Libyan importer is chary of accepting goods on a transhipment basis as there are possibilities of pilferage in third ports. Goods destined to Libya are normally transhipped at Genoa or Marseilles. The rough handling at these ports provide another deterrent. A few Benghazi importers refuse to accept transhipped goods due to their bitter experience in the past.

Closure of the Suez Canal has increased enormously the transport lead for Indian exporters. Not only are deliveries delayed but increased freight rates raise the c.i.f. prices. It should be noted that the Libyan importer concludes his deal only in c.i.f. prices.

The distance in nautical miles from Bombay to Tripoli is 10,993 miles via Cape of Good Hope compared to 4,070 miles via Suez Canal. This long distance invariably leads to long delivery schedules, which are further compounded by delays in shipment and extension of L/Cs. In this connection it is reported that a suggestion was made by Indian Ministry of Transport and Shipping that goods from India destined to Tripoli should be sent to Port Suez and from there, transhipped by land route either to Alexendria or Benghazi port. This suggestion is unworkable for the simple reason that transhipment facilities which this plan envisages are not there. There are also transhipment and handling problems at different points; but what is more important is that neither Egypt nor Libya has adequate transport fleet or manpower which would be necessary to make the plan workable. The quality of the road network in the

the area is another discouraging factor. It, therefore, appears that in terms of costs shipment via Cape would definitely be cheaper than the one envisaged in the above plan.

The effect of the closure of the Suez Canal on freight rates can be seen from following calculations. General cargo rate from Bombay to Tripoli via Suez was fixed at sh. 277/6 per tonne or sh. 250 per cubic metres. To this a 16.67 per cent devaluation surcharge was added from 19th November 1967. A further surcharge of 25 per cent on the total is added for Cape diversion. If transhipment is involved an additional surcharge of sh. 117/- per freight tonne is levied. In case of Benghazi shipments, the surcharge is sh. 182/-. Thus, under the changed circumstances, a shipper has to pay sh. 482 per freight tonne for shipments to Tripoli compared to sh. 250 before the closure of the Suez Canal - a 90 per cent increase! The freight rates relating to selected commodities (important from the Indian view point) are given in Appendix 7. It may be noted that these rates relate to the period before the closure of Canal. Current rates are to be calculated as mentioned above.

Considerable freight disadvantage that India suffers in her trade with Libya is brought out by a comparison with freight rates prevailing on the Europe-Tripoli line. Thus in 1968, freight rate between London and Tripoli was sh. 120 per tonne or per cubic metre for machinery, and machinery parts. The same rate applied to Hamburg-Tripoli and Rotterdam-Tripoli runs. At times 15 per cent congestion charge is levied which is related to conditions in Tripoli Port. The comparable freight rate between Bombay and Tripoli works at sh.405. In terms of freight, an Indian exporter has to pay roughly three and half times more than an European exporter. If shipments are effected through the Suez Canal, the disadvantage works out at only 70 per cent of the Europe-Tripoli rate.

Very little can be done to scale down the freight rates. A direct shipping service would no doubt eliminate the transhipment surcharge from the freight rate. But what is important is that direct and regular shipping schedules may tilt the balance in India's favour, at least in terms of promptness of delivery. The only solution to the shipping problem is, therefore, to encourage the two Indian shipping companies to call regularly at Libyan ports. It is understood that minimum inducement required by the shipping companies is around 400 to 500 tonnes per sailing. Naturally so long as cargoes of this size are not available, sailings will have to be subsidised. It is a moot question whether such subsidies are justifiable. It should be emphasised that Libya is a next door neighbour to the European Continent and can get her requirements within a short time. It takes less than a week for shipments to arrive from Italy. Similarly, access to Eastern Europe through Adriatic ports is easy and quick. Hence if India wants to put its goods in the Libyan market, prompt deliveries are a must. Libyan importers expressed the view that if they are reasonably confident about prompt deliveries, they would order larger quantities. On this basis, it would be worthwhile to subsidise freight rates at least for an initial period. It is hoped that India would be in a position to increase volume of trade to the required extent if measures suggested in this report are implemented.

Another hurdle in expansion of Indo-Libyan trade is the casual attitude of Indian exporters and at times the unethical methods used. Many Libyan importers reported that no response came forth to their inquiries as to price, samples, etc., even though Indian representatives promised to send them on their return. An impression is gaining ground among intelligent importers that Indians come to Libya to satisfy their principals or the Reserve Bank as the case may be. They are not serious at all.

If, however, deal is struck, Libyans have further complaints about quality of shipments not conforming to samples, short shipments, delays in shipments and repeated extensions of letters of credit. There have been quite a few cases where quality of Indian shipments not conforming to specifications to such an extent that Libyans refuse to enter into deals unless it is guaranteed either by an Indian firm known to them or by Indian Embassy. Under present circumstance, Indian Embassy is not in a position to give such guarantees. Such cases have particularly happened in hosiery trade, where India has earned a very bad reputation. Much damage has been done not only to hosiery business, but to Indian trade in general, as even a few instances of bad experiences get circulated quickly in Libya in view of its small size.

Cut-throat competition among Indian exporters exists for getting a share in the Libyan market. This competition adversely affects national interest. It is necessary to check these tendencies and to ensure that only reputed and well-organised firms enter the market. This unhealthy competition is, particularly, observed in the case of knitted wear exports emanating from Ludhiana, which incidentally is a major item of export from India.

There is also a lack of knowledge of what India produces and what it can export. At present, India is known only for spices, notably turmeric and hosiery goods. Of late, plastic and leather goods have been promoted. But very few importers are aware that India can export diverse industrial goods particularly engineering and chemicals. Participation in the annual international Tripoli Fair is one way to bring export potential to the notice of Libyans. Unfortunately, as observed in an earlier chapter, participation in the fair was so far mostly limited to sales of consumer goods. Demand for transformers, switchgear, cables, light engineering goods, etc., is going to rise in the near future. It is for India to demonstrate its capacities to supply quality products.

It is true that the market is not quality-conscious. Price is the main consideration and next in importance is adherence to quality of samples shown to importers. As pointed out earlier, there are two distinct market segments in Libya. While the western type segment is quality and brand conscious, the traditional segment is indifferent to quality. Naturally this distinction need not be stressed too far. For, if the consumer in the traditional segment gets disenchanted after the first buy, further avenues are effectively barred. Thus a reputed Bombay based plastic comb manufacturing firm pushed some shoddy goods in the traditional segment; the result has been a bad name for India. It is high time that the Export Inspection Agency becomes more vigilant.

Finally, it should be pointed out that Indian prices are sometimes out of alignment with world prices. Prices of turmeric are steadily rising and there are instances where Indian parties have backed out from written contracts. Much harm could not be done as quality of Indian turmeric is greatly valued. But in respect of textiles, this does not hold. Price competition from

East Europe and China is fierce. Unless India is in a position to reduce prices, it may lose a substantial share in the market. At present, these are the only major export items. But Libyan importers in general complained about high price quotations. Fortunately, it is still possible to know easily prices from other competitors commission agents/importers do not keep secrets and are prepared to show competitors' invoices. Price data on selected commodities are given in next chapter. A careful study shows that on many items, Indian prices are not competitive. Further, it should be realised that a newcomer must quote lower prices (and not equal prices) if he wants to gain a foothold. An importer is not willing to switch his trade relations unless he finds it profitable. Visiting Indian representatives must be given adequate powers to decide prices, taking into account local situation.

Problems referred to above directly affect trade in commodities. There are other problems - institutional and organisational - which need to be looked into for promoting Indo-Libyan trade. Some of these could be dismissed as minor administrative problems, but their solution would indirectly help to increase trade in goods and services.

1. For long, commercial relations with Libya were handled from Indian Mission at Cairo, thus causing inconvenience to Libyan importers. It was in January, 1969 that an independent Embassy was opened, though the Ambassador at Cairo is concurrently accredited to Libya. It is reported that the main purpose of opening the Embassy at Tripoli is to promote economic relations. It must be acknowledged that within a span of six months or so, the Mission at Tripoli has done a creditable job in cultivating trade. But the Mission suffers from staff shortage. There is only one officer supported by clerical staff. The commercial section needs to be considerably strengthened in view of excellent promise of trade.

2. As Benghazi is another important trading centre, absence of any representation in that city necessitates frequent visits of the officer concerned to Benghazi. This disrupts work at Tripoli. It would be, therefore, desirable to appoint an Honorary Consul at Benghazi to look after consular work. As pointed out earlier, Benghazi is developing at a fast rate and prospects of increasing trade with the Cyrenaica region are particularly

bright. It is reported that absence of consular facilities at Benghazi is costing India about £L 150,000 worth of trade per annum. As the appointment of an Hon. Consul will cost the Indian Exchequer very little, this suggestion should be implemented forthwith.

3. The Embassy at present collects data on tenders and passes this on to the relevant authorities in India. Though so far little interest has been shown by Indian contractors/businessmen in this type of activity, business of sizeable scale can be expected through this channel. It would, therefore, be desirable to organise the procedure in a better way. Tender documents are always priced. The Mission does not have funds to purchase documents on behalf of prospective tenderers. The time is too short for the tenderer to remit money and get documents for study. It is suggested that a revolving fund should be put at the disposal of the Embassy to finance purchases on account of reliable Indian parties. Money should be reimbursed by the exporter later.

If the tender is awarded to any Indian party, the Embassy should have a brief to watch progress of the work. This would need strengthening of the commercial staff in the Embassy.

4. Indian Embassy was opened in Tripoli more with a view to promote commercial relations. The Government of Libya is already developing Beida, a town about 1200 kms. away from Tripoli in the Eastern Region as the future capital of Libya. Some Ministries have already moved to Beida and a few diplimatic missions are already functioning there. However, countries which have so far moved their missions to Beida have considerable staff stationed at Tripoli and Benghazi, to look after commercial relations. Parenthetically, it may be stated that Tripoli will remain the financial and commercial Capital of Libya. If eventually the Indian Embassy has to move to Beida, the Government of India has to decide about the staffing pattern at Tripoli. In such a reshuffle, commercial work at Tripoli should not be allowed to suffer.

5. Banking services in Libya are mostly owned by foreign interests. The Libyan Government has now stipulated that at least 51 per cent of Banks' capital must be owned by Libyans. So far, no Indian bank has opened any office in Libya. There is need and good scope for a major Indian bank to open a branch office with Libyan collaboration. If India does not enter now, future entry is likely to be difficult. Presently one Indian

insurance company is functioning with good results.

6. No publicity for Indian products exists on any significant scale. It is suggested that films showing India's industrial progress should be screened from time to time. An increasing use should also be made of cinema slides for acquainting the Libyan consumer with Indian goods.

7. So far, Indian participation in the Tripoli Annual Fair has been the only medium to publicise its goods. Past experience shows that the participation has not been properly planned. The objective of the participation should not be merely promotion of across-the-counter sales, but to get a sustained business over the years. Sufficient time should be devoted to finding agents for Indian products. The range of exhibited goods should be wide enough to cover export potentiality and to illustrate variety of goods which India can produce and sell competitively in Libya.

8. A few Libyan importers complained about the non-availability of prices of Indian products. It is, therefore, suggested that at least in a few well known commodities such as spices and tea, a monthly price bulletin should be issued by Indian embassy. Importers

expressed their willingness to purchase the bulletin, if necessary.

9. At present, Libya has no representation in Delhi. Owing to general shortage of personnel, the Government of Libya is following a cautious policy in opening diplomatic mission abroad. Yet many foreign governments have successfully persuaded the Government to open embassies/legations in their countries. Thus, Libya has very recently opened an embassy in Pakistan. Apart from consular facilities that such an office would provide to Indian exporters, the embassy would help to increase trade and economic relations by making the needs of Libya known to the Indian public fairly quickly. It is suggested that the Government should persuade the Libyan Government to open an Embassy, failing which at least a consulate.

PART THREE

TRADE PROSPECTS FOR INDIA

Chapter 6

EXPORT PROSPECTS OF INDIVIDUAL COMMODITIES

A review of past trends in India's exports and problems facing exporters has been made in an earlier chapter. In view of good potential of the Libyan market arising out of the continuance of the oil boom and unprecedented development expenditure planned over next five years, a detailed analysis of export prospects for 21 commodities is presented in this chapter. It should be emphasised that though the scope for promoting traditional export items is still there, it is very much limited due to small size of the market and intense competition from countries all over the globe. Per contra, avenues for promoting engineering goods and other non-traditional items have not been explored fully. Proposed development expenditure under the Second Five Year Plan widens scope for engineering goods.

Table 23 summarises import trade statistics of Libya for last 4 years to show India's share in imports of selected commodities and the main competing countries.[1]

Finally, a reference may be made to Appendix 10 wherein names of selected importers of commodities relevant to India have been given. As stated earlier, commission agents play a key role in the structure of import trade. Hence a list of prominent commission agents is also added. It would be of advantage to prospective Indian exporters to contact the agents for promoting Indian goods. In spite of unfavourable image of India as an exporting country, arising out of past dealings, there is still a lot of goodwill. If the Indian Embassy at Tripoli is in a position to guarantee the quality of India's goods, scope for promoting exports appears to be quite promising.

The list of commodities selected for study is as under.

1. Tea
2. Spices
3. Tobacco, unmanufactured

1/ It may be pointed out that the data furnished in this table are not comparable to those in Table 23, owing to differences in source and the period covered. Further, there are glaring inconsistencies in sets of data based on Indian and Libyan sources. Thus, Libyan statistics show tea import from India at 63 tonnes in 1968, while the Indian statistics put the tea exports to Libya at 10 tonnes for two years (1967-68 and 1968-69) together. However, in analysing export prospects, use has been made of the Libyan statistics, as these give the comparative performance of our competitors as well.

4. Textiles and yarn:
    (a) cotton textiles, woven
    (b) synthetic fabrics, woven
    (c) cotton yarn and thread

5. Clothing
6. Jute textiles
7. Diesel engines and parts
8. Medicinal and pharmaceutical products
9. Bicycles and parts
10. Sewing machines
11. Footwear
12. Insulated wires and cables
13. Electric switchgear, transformers, etc.
14. Iron and steel:
    (a) cast iron pipes and tubes
    (b) pipes and pipe fittings
    (c) universals, plates and sheets
    (d) iron and steel wire
    (e) wire rod and bars

15. Finished structurals and parts
16. Metal working machine tools
17. Hand tools and small tools
18. Dyes
19. Rubber tyres and tubes
20. Domestic electrical appliances
21. Industrial machinery

Tea

In recent years Libya's imports of tea are increasing at a fast rate. In absence of local production and re-exports, total imports provide a rough indication of annual consumption. Imports in the recent years were as follows:

Imports of Tea

Year	Total		India	
	Quantity ('000 Kg.)	Value ('000 US $)	Quantity ('000 Kg.)	Value ('000 US $)
1964	4,317	4,150	25	22.4
1965	5,070	5,323	11	8.4
1966	4,914	4,942	19	16.8
1967	6,025	5,698	2	2.2
1968	8,483	7,946	63	59.6

Source: External Trade Statistics of Libya.

Libya is one of the leading tea consuming countries in the world. In 1968, the per capita consumption of tea reached a level of 4.5 Kgs. compared to 3.3 Kgs. in 1965. With urbanisation and fast expansion of income levels, demand is expected to go up. On the basis of 1967 data, FAO experts estimated imports of tea would be 7,000 tonnes in 1970 and 9,000 tonnes in 1975. However, in 1968 tea imports totalled 8,483 tonnes. By 1973-74, imports would easily be of the order of 10,000 tonnes.

India's performance in this rapidly expanding market for tea has been disappointing. It is only in 1968 that some ground was recovered. It appears that exporters have not cultivated the market. Some commission agents pointed out that their inquiries to Indian parties remain unanswered. Further, it is reported that prices are competitive, though a little on the high side.

Popular varieties of tea are B.O.P. and B.O.P. Fannings which account for nearly 80 per cent of imports. The market is dominated by Ceylon, followed by Communist China. Ceylon supplied about 62 per cent of tea requirements in 1968. Next in importance was Communist China, accounting for one-fourth of total imports. China sends mostly green tea. Ceylonese tea is preferred in the market, it is reported, due to its brewing quality. Libyans prefer a very thick brew. Further Ceylonese tea can be used at least 3/4 times before it is thrown off. Ceylon also has direct sailings (one ship a month) which are of advantage to the importer. Indian shipments as they are subject to transhipments take about 3 to 3½ months to reach destination. These are the handicaps which must be taken into account.

At the same time, it is reported that Indian tea stall at the recent Tripoli Fair was visited by many Libyans and a good business was done in retail sales - especially prepared tea. Unfortunately, no attempts were made to establish ties with importers/agents for regular business. Though the Libyan public thinks the brewing quality is inferior, it is possible to inculcate taste for Indian tea through demonstrations.

In the ultimate analysis, price and prompt deliveries are the two important factors. Ceylon, which is the principal competitor in black tea, sells tea at Sh. 9/8[1] per Kg. (c.i.f.c. 3 per cent).[2] This price refers to 500 gms. packages. The Ceylonese price for B.O.P. tea in 250 gms. packing is Sh. 9/11 (c.i.f.c. 3%). Retail prices of B.O.P. fannings are 50 piastres (ps.) and 60 ps. per kg. for 1 kg. and 500 gms. packings respectively. The margin between retail price and c.i.f. price is about 25 per cent. Retail prices are quite high and India can certainly have a big share in the market.

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[1] In Libya, c.i.f. prices are generally expressed in pound sterling. Hence, in this report, prices are expressed in sterling. The conversion rate is 1 Shilling = 11 US Cents.

[2] In Libya, the import trade is canalised mostly through comission agents and hence the c.i.f. prices are generally expressed as c.i.f.c. some x per cent. What this means is that the quotation includes costs, incurance, freight and the commission to be paid to the agent. Obviously, the commission varies from product to product. The percentage varies from 3 per cent (mostly in consumer goods) to 50 per cent (in the case of products requiring after sale services).

Recently, an Indian firm quoted standard tea of different grades between Sh. 6/8 and Sh.8/10 per kg. (c. & f. Tripoli) for packings of 5 and 10 kgs. Samples were appreciated by Libyan customers; but there was no response to further inquiries. For the same quality, Indian prices are high, but it is possible to market tea even with slight price difference. There is a very good demand for 'Gulabi tea'. Here again, Libyans complained of lack of response. The impression one gets is that Indian exporters are not interested in pushing tea sales in the Libyan market, for reasons best known to themselves. Shipping, no doubt, is a big hurdle. But what annoys importers is that their inquiries are not attended to. Recently, an Indian Tea Delegation visited Libya to gauge prospects. Their findings are not known. But it appears insufficient sales effort has bogged down India's performance.

India should be able to sell about 500/800 tonnes of tea in the coming years if sufficient sales effort is made. Sales would be mainly in black tea. There is a good demand for tea in bulk, which is normally sold in the traditional market.

Spices

Like all Arab countries, Libya is a big importer of spices of all kinds. From Indian view point, it is a good market for turmeric, pepper and pimiento, cinnamon, aniseed and nutmeg. The market for all these products is an expanding one and yet India's share has gone down during last four years with minor fluctuations.

Turmeric is the main item in the spices group that is exported from India. As this item is included in 'Thyme, saffron, etc.' in the Libyan export statistics, India's precise share cannot be determined. But it is known, that 80/85 per cent of the market was held by India. But of late, the share is declining. The main factors are rising prices and the supply constraint from the Indian side. Quality of Indian turmeric is highly valued and hence importers are prepared to pay higher prices. The current c.i.f. price is between £310 - 320 per tonne (inclusive of 3 per cent commission). About a year back, the price was £160 per tonne. The price rise is of recent origin and there are complaints about Indian parties backing out of written deals finalised at a price of £230 or thereabout. This behaviour on the part of Indian exporters is creating a bad impression.

Communist China is offering turmeric at £250 c.i.f., but their quality is inferior and importers are not inclined to buy in a big way. But scarcity of Indian turmeric is forcing them to look for alternative supplies. Libyans are prepared to pay as high a price as £320 per tonne for Indian turmeric provided deliveries are guaranteed.

Turmeric is preferred mostly in finger form. There is some demand for powder as well. The c.i.f. price (including 3 per cent commission) of turmeric powder is £ 120 per tonne from Singapore, while for Indian product it is £200. Even with this price difference Indian product is preferred. It appears that supply is the only constraint on exports. If the price is competitive, India can easily sell about 500/600 tonnes by 1973-74. Not much sales effort is needed as the Indian product is already well established. India's competitors are Singapore, Pakistan, Taiwan and Communist China.

The other item in the spices group where further advance is possible is pepper and pimiento. Total imports of pepper show an erratic trend over the years. This is partly due to imperfect market conditions and overstocking tendencies. But an annual average offtake of about 200 tonnes can be expected. Major competitors are Singapore in pepper and Tunisia in respect of pimiento. India's share came down to 1.9 per cent in 1968 from 11.2 per cent in 1967. Price is the important element that has affected exports. At present, Tunisia is holding a major share in pimiento. The current c.i.f. price of pepper is $ 552 (£230) per tonne (Singapore).

Only small quantities of cinnamon, nutmeg and aniseed are in demand. In all these products, India's share has declined over the years. High prices, shipping difficulties and supply constraints are primarily responsible for the decline. As pointed out earlier, the market for spices is a growing one. Libya can easily be expected to import spices worth US dollars 1 to 1.2 million by 1973-74 (at 1968 prices). India can expect a 20/25 per-cent sharo.

Apart from spices in bulk, Libya offers a very good market for ground spices in consumer pack, curry powder, pickles, etc. This segment of the market is not cultivated at all. Libyans like spicy food and therefore, if this taste is catered to, there would result a very good market for prepared foods.

Tobacco unmanufactured

A State Tobacco Monopoly was established during Italian administration to look after import and export of tobacco and tobacco products. The Monopoly issues licences to tobacco growers and purchases whole crop at pre-determined prices. The Monopoly also sells imported and locally produced cigarettes at fixed prices. Retail prices are also determined by the Monopoly. With increasing incomes demand for cigarettes, particularly the superior ones, is steadily going up.

The only cigarette manufacturing unit in Libya is managed by a British company on behalf of the State Monopoly. Though there is considerable area under tobacco crop in coastal areas, local production is estimated to meet only 40 per cent of requirements of the local factory. The quality of indigenous tobacco is inferior. In recent years, however, superior varieties of tobacco crop are being introduced under guidance of the Monopoly. As demand in Libya is for better and expensive brands of cigarettes, top quality tobacco is being imported for blending with local tobacco to meet the local demand and arrest import of foreign cigarettes. As a result, imports of unmanufactured tobacco have increased as may be seen from the table below:

Imports of Unmanufactured Tobacco

Year	Total Imports		Indian Exports	
	Quantity (tonnes)	Value ('000 US $)	Quantity (tonnes)	Value ('000 US $)
1964	268	520	Ngl.	Ngl.
1965	322	375	235	230
1966	533	949	85	78
1967	967	1711	54	39
1968	871	1739	344	269

Source: External Trade Statistics - Ministry of Economy and Trade.

Imports more than doubled from $520,000 in 1964 to $ 1.74 million in 1968. During the Second Plan period, the per capita consumption of cigarettes is expected to rise at an annual average rate of 4.05 per cent. On this basis, total consumption of cigarettes is expected to reach 2,250 million pieces by 1973 as against 1,600 million in 1968. The present Plan envisages an investment of £1.6 million in expansion of the unit, with the object of more or less meeting the entire demand for cigarettes. The production target fixed for cigarettes is 2,120 million pieces by 1973 against the present level of 1,350 million cigarettes.

At current production level, Libya is importing 500 to 600 tonnes of unmanufactured virginia tobacco. If production capacity of the unit is expanded, then requirements are expected to be around 1,000 tonnes per annum.

Tobacco was the second most important item of India's exports to Libya in 1967-68 which in value was $ 258,856 as against $ 190,000 in 1965-66 (Indian statistics do not show exports of tobacco during 1968-69).[1] India produces considerable quantities of good quality virginia tobacco and prices are also competitive, although long shipping lead is a disadvantage.

If this problem can be overcome, there is scope for expanding exports. Main competitors are Turkey, the U.K., the U.S.A. and Belgium. Of these, the U.K. is the major supplier with a share of over 70 per cent of total imports. On a conservative basis, at least 300 tonnes of tobacco can be exported to Libya by 1973. There is no tariff on imports of unmanufactured tobacco.

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[1] There is considerable discrepancy between Indian and Libyan trade figures in regard to tobacco. (Figures as available from External Trade Statistics of Libya are given in the table on pre-page). No plausible reason for such discrepancy is available.

Textile Fabrics and Yarn

Libya's textile industry comprises a few powerlooms and a sizeable number of handloom weaving units producing traditional clothing such as barracans, ferrasias, ridas and other items. In addition, there is one wool collecting and spinning plant, two knitting plants, and a few other units engaged in manufacturing rugs carpets and coarse varieties of woollen fabrics. The gross value of output in the organised sector (i.e., those units employing 5 or more persons) in 1967 was estimated at US $ 3.5 million.

As modern textile industry is non-existent, Libya imports Western type of clothing material. Imports of textile fabrics have risen very rapidly in recent years. Recent trends in imports of textile fabrics are given below:

Imports of Textile Fabrics

Year	Value (Million US $)
1959	5.68
1960	6.36
1961	7.38
1962	8.60
1963	8.82

(Contd. .)

Year	Value (Million US $)
1964	11.04
1965	15.47
1966	15.51
1967	17.50
1968	27.85

Source: External Trade Statistics.

Imports of textile fabrics increased manifold during 1959-68. Imported goods dominate the market and the entire demand for fabrics is met by them. Cotton fabrics roughly constitute about 40 per cent of imports of textile fabrics, synthetic fabrics 45 per cent, while the remaining 15 per cent is accounted for by woollen and miscellaneous types.

Although any accurate estimate of present consumption levels of textile fabrics is not possible a rough indication can be had. Some traders pointed out that roughly 30 to 40 per cent of textile fabrics imported into Libya are smuggled out of the country. Smuggling is reported to be on the increase because of high customs duties in neighbouring countries and absence of any barriers on imports of textile fabrics in Libya.

One has to give credence to this reported smuggling as the volume of imports seems to be out of proportion to the size of population.

According to planning authorities, present level of consumption of all types of textiles, clothing, etc., is likely to be around $ 56 million (inclusive of clothing manufactured within the country). By 1973, demand is expected to exceed $ 84 million. Commoditywise break down of demand is not available. On the basis of present proportions between textiles, clothing, yarn and expected production of clothing by 1973, imports of textile alone would be around $ 34 million.

As textiles and clothing can be imported under open general licences, almost all retail shopkeepers are importers. Invariably these importers get their shipments through commission agents, whose margin varies between 3 to 5 per cent. Retail mark-ups vary between 50 to 100 per cent depending upon products.

C.i.f. prices of selected textiles are noted below:

Rumania sells printed materials at 25 d to 35 d per metre. Indian price is around 36 d per yard. Indian material is thin and inferior in quality.

In curtain material, Pakistan is offering good quality material at 10 per cent lower than India. Long cloth from China is offered at 15 d per yard (c.i.f. plus 3% commission). Chinese printed rayon tafetta 36" x 25" (composition: 54% rayon and 46% staple fibre) is offered 18 d. per yard (c.i.f. plus 3% commission).

Japanese brocades (with 44% rayon, 15% nylon, 35% acrylic, 6% metallic yarn) are offered at c.i.f.c. 5 per cent : $ 1.00 per yard. Cheaper quality brocades are priced at £ 0-3-0 per yard. (It is understood that Indian price of an equivalent quality is Rs.20 per metre).

Cotton T-Shirts

Polish - 24 Shs. per doz.
Pakistan - 15 Shs. per doz.

Terry Towels

1) 50 cm. x 100 cm. - 40 Shs. per doz.
2) 75 cm. x 100 cm. - 90 Shs. per doz.
3) 220 cm.x 140 cm. - 180 Shs. per doz.

Dyed or White

Double bedsheet with two pillow cases - 14 to 15 Shs. per set.

Embroidered

Two sheets with two pillow cases - 20 to 25 Shs. per set.

Printed

Two sheets with two pillow cases		15 to 20 Shs per set
White sheeting (from Japan c.i.f.c. 1%)	-	US $ 0.24 per yard
Canvas cloth (from Pakistan c.i.f.c. 5% of 1 metre width)	-	50 d per yard

Black Satin

58 cm. x 130 cm. c.i.f.c. 5%	-	31.5 Cents per yard
58 cm. x 140 cm. c.i.f.c.5%	-	35.0 Cents per yard
Cotton prints sheeting (from Rumania, c.i.f.c. 3%)	-	8 to 9 Cents per yard.

Indian prices of comparable qualities are available in all cases to offer an opinion on competitiveness of India's products. Importers in Libya feel that India's image in textiles is poor and prices are 10 to 15 per cent higher in respect of many categories.

A few years ago, when exporters were given licences for import of raw materials, etc., on the basis of their export performance, many Indian businessmen were supplying cotton and other textiles at very cheap prices in their anxiety to export the required quantity to get import licences, rather than to build up the export market. Except in rare cases, actual shipments were very poor and even damaged, which has completely spoiled reputation. As a result, excepting some quantities of Leela lace fabrics and a few other items, no other Indian product sells in Libya.

Another reason for dwindling India's exports is due to entry of East European countries and People's Republic of China which are offering very stiff competition to all other countries in textiles. Their prices are low, supplies regular and deliveries very prompt. For instance, from East European countries goods arrive within a fortnight after the placement of order. Every month a ship calls from China. On the other hand, it generally takes 2½ to 3 months to get shipments from India. It is also reported that Indian textiles find their way to Libya through East European countries and the USSR at 25 to 30 per cent lower prices than their original purchase price.

High income levels have led Libyans to prefer very nice prints with attractive designs preferably with metallic yarn. For India the following items seem to offer excellent scope:

1. Towelling especially the bigger sizes
2. Bed sheets
3. Napkins
4. White sheeting
5. Cotton knitwear
6. Black satin
7. Lace fabrics

In prints, brocades, nylons and other synthetic materials Indian prices are higher. Some importers have opined that in prints, unless the quality is vastly improved, there is no possibility of selling in Libya.

Towels and Napkins

One commission agent alone imports towels worth $ 280,000 per annum. Importers have expressed the view that Indian towels made in handloom and the mechanised sectors, particularly those made by Bombay Dyeing and D.C.M. will have excellent demand. The demand is mostly for large sized towels (220 cm. x 140 cm.). At present, supplies mostly come from Romania. It appears that China does not have the necessary loomage to manufacture this particular size towels. According to the Arab tradition, this long-sized towel is a must while going for pilgrimage. Towels of other sizes are also popular and the demand is sizeable.

So far no attempts have been made by Indian manufacturers especially the Bombay Dyeing and D.C.M. to sell towels in Libya. As quality is acceptable, it is felt that India would be able to sell quite well.

Bedsheets

Demand for bedsheets is sizable and prospects for Indian products selling well are bright according to local importers. As in the case of towels, two well known manufacturers of bedsheets, Bombay Dyeing and D.C.M. have not explored this market. The quality of products imported from China and East European countries is in no way superior. There is also good scope for handloom bedsheets. In all varieties of mill-made bedsheets, whether white, dyed, printed or embroidered, China is the main supplier followed by East European countries. If appropriate measures are taken to sell Indian products by quoting prices to local importers and commission agents along with samples, it is hoped that India can get a share in the market.

White Sheeting

Knowledgeable traders estimate that Libya imports nearly 2 million metres of white sheeting every year. At present, Japan and China are the main suppliers.

Japan's c.i.f. price of white sheeting is $ 0.24 per yard. Indian sheeting, if competitive in price, will have bright chances of selling well in the market.

Black Satin

Local consumption of black satin is sizable. This is largely used by Libyan women folk for purdahs and as dressing material. Annual imports of black satin are estimated at $ 50,000 to 60,000. Romania is the main supplier followed by Japan and China. Sadhana Textiles (India) has contacted a commission agent to explore the market for black satin along with other range of products. It is observed that prices of this firm are acceptable importers but there was some disagreement on terms of sales. In view of good demand, these aspects need to be settled. Other firms manufacturing black satin can also enter the market profitably.

Lace Fabrics

There is excellent demand for lace fabrics in Libya. Among Indian textile products, this is perhaps the single item which is selling fast in Lib Incidentally this is one of the products exhibited i the recent International Tripoli Fair, where good business was done in Indian lace fabrics. Following this, some Libyan importers have placed orders. If regular supplies are maintained there is good scope for increasing exports.

Tariff duties on selected textile fabrics are as under:

1.	Cotton fabrics	Nil
2.	Brocades	20%
3.	Synthetics	20%

Textile Yarns

As spinning facilities have not been developed, entire requirements of yarns to feed textile weaving industry have to be met by imports. Along with rise in the gross value of output of textiles, imports of yarns have risen in recent years as seen from the figures given below:

Imports of Textile Yarns

(Value '000 US $)

Year	Synthetic yarns	Cotton yarns
1964	417	476
1965	711	364
1966	619	819
1967	683	216
1968	1154	279

Source: External Trade Statistics of Libya.

Imports of man-made fibres have increased while that of cotton yarn declined. India has only been exporting cotton yarns. As against $ 80,000 in 1964-65, exports increased to $ 164,000 in 1967-68. Other competing suppliers of cotton yarn are Italy, the U.A.R. and Pakistan. Though the demand is no doubt small, prospects for stepping up exports are considered bright.

India has not yet exported any man-made fibre yarn. Libya is importing this item mostly from Italy, the U.K. and Switzerland.

Clothing

Ready-made garments constitute an important item in Libya's imports due to high tailoring charges which make locally made garments very expensive. Following sudden gush of money, the rise in the demand for ready-made garments has been spectacular. In 1968, value of imports of 'outer garments for men' alone were worth $ 27.44 million (£L 9.8 million) or 4.3 per cent of total imports and is the third biggest single item. Trends of imports of ready-made clothing are given below:

Imports of Ready-made Clothing

(Value: Million US $)

Year	Imports
1954	1.62
1959	5.28
1962	6.50
1963	8.23
1964	8.41
1965	13.95
1966	18.06
1967	20.77
1968	29.93

Source: External Trade Statistics.

Libya's imports of wearing apparel increased from $ 1.6 million in 1954 to nearly $ 30 million by 1968. Of ready-made garments nearly 90 per cent is accounted for outer garments for men, women and children. These consist of women and children dresses, shirts, bush shirts, suits, cardigans, sweaters, etc. Detailed break-down of these items is not available. According to knowledgeable sources, about one-third of 'outer garments' consists of woollen garments, another one-third of synthetic fabrics and the rest of cotton.

Woollen Garments

In woollen garments, principal items are woollen suits either pure or mixed with synthetic yarns, trousers, cardigans, pullovers and ladies and children dresses. Almost all European manufacturers are competing for a share in the market. While sophisticated persons purchase western European makes, the less prosperous buy East European products. As India has not developed enough potential to manufacture many of these items, it is out from the market except in respect of woollen cardigans and pullovers.

Woollen cardigans, sweaters and other outer garments constitute the single largest item of exports from India. In 1968-69, this category accounted for nearly 50 per cent of exports to Libya. Export trends in woollen garments in recent years are given below:

Exports to Libya from India

(Value: In '000 US $)

	1965-66	1966-67	1967-68	1968-69
Woollen cardigans and sweaters	140	215	304	927
Woollen outer garments others	19	18	3	54

In recent years, exports have increased at a rapid rate. Market enquiries reveal that India's main advantage is price. However, a number of complaints are heard about unhealthy competition, which is leading to under-cutting of prices. It is reported that every season 50 to 60 sales representatives from Indian manufacturers, mostly from Ludhiana, visit Libya. To secure some business, they do not hesitate to undercut each other. With rock bottom prices, they are unable to maintain quality, which has adversely affected the reputation of Indian hosiery. About half a dozen big firms are still doing well in the market, while others have risked their reputation by unhealthy practices. While in the case of every other product, Libyan importers have complained about absence of visits by Indian salesmen, there are reported to be too many salesmen from the hosiery industry giving a feeling that India manufactures only woollen cardigans and sweaters. It is, therefore, absolutely essential that stricter vigilance at pre-shipment stage on the quality of products exported to Libya is maintained, so that reputation is not damaged permanently. In 1969, it is reported that very few importers were willing to place orders with

Ludhiana hosiery manufacturers because of indifferent quality products supplied earlier and also because of accumulation of sizable stocks. If immediate steps are not taken to remove unhealthy trends, it is feared that exports will decline very fast. There does not appear any prospects of further increase in exports. But the present position can certainly be maintained.

Garments made of Synthetic or Mixed Fabrics

Libya imports considerable quantities of ready-made garments made of pure and mixed synthetic fabrics. It may not be possible for India to enter this market, unless prices are reduced considerably. No doubt, it has developed sufficient capacity to manufacture these garments at low costs. Indian skills are comparable to international standards, but raw materials prices are rather high. Cloth constitutes roughly around 60 per cent of the cost of the garment, which is 3 to 4 times higher than the Japanese one. Because of high prices, no manufacturer has ever made any attempt to market their products in Libya.

Added to this is the keen Chinese competition in shirts, bush shirts and other garments which are offered at throw-away prices. At present, People's Republic of China has nearly 70 per cent of the market for shirts, while the remaining 30 per cent is shared by all other countries. Hong Kong and Italy are major suppliers after China. China is offering a 65 per cent terylene and 35 per cent cotton shirt at 135 Sh. per doz. (c.i.f. plus commission 5%), while Italian and Hong Kong shirts are priced slightly higher. Higher c.i.f. prices of these two countries are reflected in retail prices also.

In respect of women and children's garments also Indian prices are reported to be quite high. It is, therefore, felt that there are no export prospects till cloth prices are brought down to international level.

Cotton Garments

Libya imports sizable quantities of cotton shirts and other garments mostly from China, Hong Kong and to some extent from Italy. Here again, India's prices are reported to be higher than Chinese prices. Indian prices are around Rs.12.50 per shirt f.o.b. Bombay whereas Chinese c.i.f. price (Tripoli) is

110 Shillings per dozen, and Hong Kong 90 Shillings per dozen. Price-wise, India's products seem to be uncompetitive. As the price difference is small, it may be possible to sell cotton shirts, if Indian manufacturers are in a position to bring down prices to compete with Chinese or Hong Kong suppliers.

Carpets

It is reported that there is an excellent demand for woollen, jute and cotton carpets in Libya. Although India is a renowned manufacturer of carpets and supplies to almost all parts of the world including sophisticated markets like the U.S.A., Libyan market has not been explored so far. Poland is the principal supplier followed by China and Spain. Carpets imported into Libya are mostly machine-woven. C.i.f. prices of Polish Carpets are as under:

100% Wool Carpets - 50-70 Shs. per sq.metre
Mixed Carpets - 20-35 Shs. " " "
Jute Carpets - 15 Shs. " " "

With growing affluence, Libyan is carpetting his house due to climatic conditions and social habits. Though demand has not developed for very expensive carpets, moderately priced products can sell well.

Retail price of wool carpets is £L 5 per sq. metre.

From Indian angle, Mirzapur Carpets and Jute and Coir mats are possible items for export to Libya. Some commission agents have expressed a desire to have samples with prices. A sales effort in this direction would pay well in the near future. Initiative is needed from Indian exporter.

Cotton Knitwear

Some Libyan importers and commission agents have opined that Indian knitwear like cotton banians and under-garments have an excellent scope. At present, main suppliers are from East European countries and Italy. Indian salesmen working with Libyan importers say that no cotton hosiery manufacturer from India has explored the market. They also feel that as quality is good Indian cotton hosiery products can sell well.

Tariffs on ready-made clothing is as under:

Ready-made garments

1. Cotton	10%
2. Mixed fibres	20%
3. Woollen	10%
4. Hosiery	10%

Steel Structurals and Parts

Imports of steel structurals and parts increased by more than 650 per cent from $0.9 million in 1962 to $6.0 million in 1968. Local production is insignificant and over 90 per cent of total requirements are imported. Past trends in imports are given below:

Imports of Steel Structurals and Parts

Year	Value in '000 US $
1962	923
1963	2,489
1964	2,386
1965	2,245
1966	3,713
1967	4,949
1968	6,894

Source: U.N. Commodity Trade Series - D.
External Trade Statistics.

Italy supplied nearly half of imports. Other principal suppliers are Australia, West Germany, Holland, the U.K. and the U.S.A. In recent years, East European countries have vastly improved their share.

Demand for steel structurals mainly emanates from oil companies and other Government agencies engaged in big construction work. Purchases are made generally through tenders and countries in whose favour tenders are awarded will have a major share in imports. As in case of other items where purchases are made by building contractors, the best way to increase India's exports is through getting a sub-contract or material supply contract. As it is a bulky item involving heavy freight India would be at a disadvantage as compared to European suppliers. Indian f.o.b. prices are comparable with those of leading competitors. If freight disadvantage is compensated and prompt delivery assured, there is good scope for increasing exports. Current c.i.f. price at Tripoli is £L.35 per tonne.

Jute Textiles

External Trade Statistics of Libya do not show separately imports of jute textiles excepting woven jute fabrics. Quantities shown under this head are small. Imports were about $ 84,000 per annum. Market enquiries reveal that there is good demand for jute bags with capacity to pack 100 kgs. These are mostly used for packing olives, dates and other food articles. There is demand for 50 kg. bags also but requirements are small.

Monthly statistics of foreign trade of India show considerable exports of jute bags and sacks. Exports increased upto 1967-68 but suddenly dropped in the following year. Exports of jute fabrics to Libya are as under:

Exports of Jute Fabrics

(Value: '000 $)

Item	1965-66	1966-67	1967-68	1968-69
Jute sacking bags	15	13	97	4
Jute corn sacks	-	-	92	-
Other hessian cloth	11	6	6	9

Source: Monthly Statistics of Foreign Trade of India.

The c.i.f. price of 100 kgs. bag is one shilling per bag. With anticipated increase in agricultural production, imports of jute bags are expected to increase. Besides India, other suppliers are Malta, the U.K. and Pakistan. It is reported that bags are sometimes imported even from Switzerland, which shows considerable switch trade and/or sale of used bags from European countries in view of close proximity. It is, therefore, possible to expand exports from the present level of $200,000 to $ 300,000 by 1973.

Diesel Engines and Parts

To arrest exodus from agriculture caused by oil boom and to make it remunerative, the Libyan Government is offering various types of assistance and incentives including farm equipment at subsidised rates. Due to absence of rivers, underground water is being extensively tapped for irrigation. At present, about 120,000 hectares are irrigated mainly by tapping under-ground water through pumps. During the Second Plan additional 40,000 hectares are proposed to be irrigated, which will result in considerable imports of irrigation pumps and diesel engines.

External Trade Statistics of Libya do not give separately import figures of diesel engines and pumps. They are covered in the group 'pumps for liquids'. Recent trends of imports are as under:

Imports of Pumps for Liquids

Year	Imports	
	Quantity (Nos.)	Value ('000 US $)
1964	8,005	2,716
1965	6,353	2,887
1966	8,429	3,332
1967	12,401	5,029
1968	9,609	4,326

Source: External Trade Statistics.

In terms of value, imports sharply increased from $ 2.7 million in 1964 to $ 4.3 million in 1968. Pumps covered under this head include not only agricultural pumps but also those used by oil industry. According to knowledgeable sources, annual imports of agricultural pumps in 5-10 H.P. range would be 800 per annum. This figure is likely to increase to about 1200 pumps by 1973.

Electricity is being extended to almost all villages, which is causing a shift in demand pattern for pumps. Electric pumps are sold in increasing numbers in preference to diesel sets. Indian prices of electric pumps of all ranges are reported to be higher than competing brands from Italy. Italian prices (Rovatti) are as under:

		c.i.f. price/including 35% commission in US $
1.	H.P.	83.20
2.	H.P.	108.80
3.	H.P.	126.40
4.	H.P.	132.80
5.5	H.P.	177.60
7.5	H.P.	224 - 240
10.	H.P.	256.- 283

Though Italians officially quote 35 per cent commission on c.i.f. prices, they are giving even higher discount.

As regards diesel engines, Indian prices are quite competitive. Kirloskar prices are lower than British (Petters) or Italian makes. For example, the retail price of a 5 H.P. Kirloskar pump is $ 504 (£ L.180) as against $ 616 (£ 220) of Petters. Even in c.i.f. prices the difference is maintained. C.i.f. prices of European pumps sets (Petters and Lister) is around $ 435 to $ 440. Kirloskars are offering diesel engines and pumps at around $ 425 c.i.f. and commission 15 per cent.

Pumps in Libya are sold to private farmers directly as well as through the Agricultural Bank. On sales to farmers, a discount of 25 per cent is allowed, which is reimbursed by the Government. Besides, the Agricultural Bank also purchases and gives them to farmers in the form of a loan along with other equipment, which is repayable in instalments. Purchases are generally made through tenders and only influential agents get orders. European models are sold mostly through the Agricultural Bank.

India has been doing quite well in this line. Only Kirloskars entered this market in 1963 and by now they have been able to build up good business. One or two other Indian firms also entered the market, but their performance is still poor. Exports of diesel engines and parts during recent years have been quite impressive.

Exports of Diesel Engines and Parts

(US $ '000)

Year	Diesel Engines	Parts
1965-66	38.2	Negl.
1966-67	31.0	5.3
1967-68	54.0	26.8
1968-69	59.0	17.0

Source: Monthly Statistics of Foreign Trade of India.

There appear to be good prospects for Kirloskars to expand sales. Besides other reputed Indian firms manufacturing diesel pumpsets and electric pump sets can also have good prospects if they can emulate the example of Kirloskars by regularly sending their salesmen and technicians to look after after-sale service and build up necessary confidence regarding performance of engines.

Medicinal and Pharmaceutical Products

Local production of medicines and pharmaceuticals is practically non-existent and hence entire requirements are met by imports. The Government of Libya has allocated sizable funds to provision of medical facilities to the Libyans. As a result, imports of medicinal and pharmaceutical products increased at a tremendous rate from $ 3.1 million in 1962 to $ 7.8 million in 1967. Medical preparations account for bulk of imports.

Imports of Medicinal Products, etc.

(Million US $)

	1962	1963	1964	1965	1966	1967	1968
Total imports	3.1	3.0	4.2	4.6	6.0	7.8	9.8
Italy	1.7	1.6	2.3	2.2	2.7	3.7	3.5
U.K.	0.5	0.4	0.5	0.7	1.0	1.2	1.7
W. Germany	0.3	0.4	0.4	0.6	0.8	0.8	1.1

Sources: (1) U.N. Commodity Trade Series - D
(2) External Trade Statistics of Libya.

Italy has a dominant share accounting for about 50 per cent. Other principal suppliers are the U.K. and West Germany. India has made a beginning last year when exports amounted to $ 2,000.

Imports of medicines is controlled by the Ministry of Health. All exporters are required to be registered with the Ministry of Health before their products can be supplied. This registration has to be done necessarily through a Libyan agent. While filing applications, products that the unit is manufacturing along with all specifications have to be stated. By now, many of internationally reputed firms are already registered and new registrations can only be done with extra effort. If an influential Libyan agent is induced to take up Indian manufactures' case, it should be possible to get necessary registration. C.i.f. prices have to be mentioned at the time of registration. Retail prices of all types of medicines are fixed by the Government allowing a 20 per cent mark-up. Medicines can be imported into the country without any customs duty.

However, absorbant cotton and cotton gauge and other pharmaceutical products can be imported without any registration. These products too have a sizable demand. They are, at present, mostly imported from Egypt and Italy. As quality of Indian products compares well with products available in Libya, it is hoped that they can be exported. C.i.f. prices are as under:

Absorbant cotton:	$ 1.40 - 1.55 (50 - 55 piastres) a kg.
Cotton gauge :	$ 1.80 - 2.10 (65 - 75 piastres) a kg.

Customs duty on these items is 10 per cent. Libyan importers have shown an interest in quotations and samples from Indian manufacturers.

Bicycles and Parts

With money flowing into the country, use of bicycles is restricted to poorer sections of population, particularly in mofussil areas. The most popular transport is the automobile, which one finds even in rural areas. The small size of population also severely restricts potential demand. Imports of bicycles increased by nearly 100 per cent from 15,000 numbers in 1963, to 30,000 numbers in 1967. Imports declined to 29,000 in 1968. As there is no internal production the entire demand is met by imports.

At present, Italy has a near monopoly accounting for nearly 70 per cent. The U.K. is the other major supplier with about 25 per cent share. Recent trends in imports are given below:

Imports of Bicycles

	Quantity ('000 No.)	Value ('000 US $)
1964	18	476
1965	21	577
1966	29	784
1967	30	722
1968	29	728

C.i.f. price of an Italian bicycle is about $ 28 and wholesale price is $ 34. British makes are slightly costlier. Due to lower prices, Italy is holding predominant position. One does not find any Indian cycle in this market. India has not seriously cultivated the market. As bicycles are an important Indian export item, it should be able to push sales if freight disadvantage is compensated. If firm offers are sent from India giving c.i.f. prices, along with attractive catalogues, there is some possibility for sales.

With increased use of cycles, demand for cycle parts has gone up, which is reflected in increased volume of imports. During past few years imports of cycle parts are as under:

Imports of Cycle Parts

Year	Value ('000 US $)
1963	84
1964	143
1965	146
1966	174
1967	185
1968	208

Italy, the U.K., Japan, West Germany, Holland and Communist China are principal suppliers. Excepting for small quantities now and then, India has nct exported regularly. Scope for enlarging exports of cycle parts is promising.

Sewing Machines

Because of labour shortage and high tailoring charges, average Libyan housewife is forced to do stitching at home, whether it is repair of old garments or stitching of new ones. This is reflected in increasing annual sales of sewing machines. Hand-operated sewing machines are most popular. Following figures illustrate trends in imports of sewing machines.

Imports of Sewing Machines by Sources

(In numbers)

Countries	1964	1965	1966	1967	1968
Formosa	-	133	262	371	250
Mainland China	2	47	188	1,580	8,549
Germany	251	776	361	272	417
Italy	734	1,795	2,031	1,260	2,130
Japan	4,942	10,107	9,111	6,092	7,116
U.K.	1,307	1,646	1,623	1,140	660
India	436	1,606	620	1,237	814
Total	8,500	16,000	15,729	12,255	20,694

Source: External Trade Statistics of Libya.

Imports of sewing machines increased from 8,500, in 1964 to 20,000 in 1968. Japan and mainland China remarkably expanded their exports. India's share along with some other countries like the U.K. and West Germany declined, particularly in 1968. Usha Sewing Machines are being marketed in Libya. Compared to Japanese machines, the finish of Indian models is generally poor. In terms of performance also, a Japanese machine, being lighter, operates more smoothly. Retail price of Usha hand-operated machines is $ 27 (£ L 10) as against Japanese prices of $ 25 to $ 28. C.i.f. prices are 30 per cent less than retail prices. Chinese machine prices are still lower and their performance is comparable with Japanese models which explains fast increase in imports from China.

It may not be possible to increase India's exports of sewing machines unless quality is improved and prices reduced slightly to make them competitive.

Footwear

The footwear industry in Libya consists of three small enterprises with a turnover of about 50,000 pairs per annum. They manufacture leather shoes. Domestic production hardly meets 3 per cent of demand, while the remaining 97 per cent is met by imports. As a consequence of rising incomes, imports of finished leather goods expanded at a phenomenal rate.

Imports of Footwear

Quantity = in '000 pairs
Value = in '000 US $

Item	1964		1965		1966		1967		1968	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Rubber or Plastic	1579	638	1614	722	3193	1109	2473	935	3844	1280
Leather	355	1358	476	1812	475	2050	729	2640	867	3456
Other materials	1336	1310	1360	1669	1687	2156	1612	2103	2956	3226
Total	3270	3306	3450	4203	5355	5315	4814	5667	6807	8562

Source: External Trade Statistics.

Demand: Imports of footwear more than doubled during the period 1964-68. Plannning authorities estimated demand in 1968 at 4.8 million pairs giving a per capita consumption of 2.7 pairs. Although estimated consumption level in 1968 was 4.8 million pairs, imports plus domestic production amounted to 6.86 million pairs in 1968, the difference being for stock. An increase of over 50 per cent in demand is forecast by 1973 or 7.4 million pairs. Allowing for stock total requirements would be about 9 million pairs by 1973.

Looking to demand situation and availability of tanned leather from Government tanneries, an additional capacity of 0.5 million pairs is planned during the Second Plan. Anticipated output of the plant by 1973 is about 0.2 million pairs of leather shoes. Even it materialises, import demand for shoes will be enormous. Consumption level of leather shoes is expected to be around 1.4 million pairs, while for other varieties it would be about 6 million pairs.

Prices: Retail prices of shoes are fairly high because of higher establishment charges and wage rates. A gent's shoe, depending upon quality and size, sells at $ 8 to $ 14. Average c.i.f. price of leather shoes works out to $ 2.64 per pair. Selected c.i.f. (commission 5 per cent) prices of Chinese shoes are given below:

Gents shoes:	£ 0-17-6 per pair (which is comparable to Oxford of Bata)
Children shoes	£ 0-10-0
Girls shoes	£ 0-9-0

It is reported that quality of Chinese shoes is very good. Romania is also selling substantial quantities. C.i.f. prices range from $ 1 to $ 3.50 depending upon quality and size. Besides maintaining quality the above countries make prompt deliveries.

Competition: In leather footwear, Italy dominates with nearly 70 per cent share. Other important suppliers are the U.K., Romania and China. In rubber and plastic footwear, Formosa, Hong Kong, Japan and Italy are the principal suppliers. In respect of canvas and other varieties Italy, Japan, Czechoslovakia, Romania and the U.K. have a predominant share.

India's performance: India has been supplying almost all types of footwear to Libya though in very small quantities as may be seen from the following figures.

from page160 as follows:- (Value '000 US $)

	1965-66	1966-67	1967-68	1968-69
Rubber footwear	5.5	2	3	12
Leather footwear	15	21	31	71
Total	20.5	23	34	83

Source: Monthly Statistics of Foreign Trade of India.

So far major item of exports is leather footwear. Exports of this item nearly doubled from $ 15,000 in 1965-66 to $ 31,000 by 1967-68. Market inquiries reveal that demand for fancy type of chappals and footwear is excellent. Some dealers have pointed out that Indian prices are high, supplies irregular and quality poor. In this context, it has been mentioned that Pakistan is supplying fancy footwear, and shipments are even better than samples. Indian prices have become uncompetitive, due to high freight charges. It is possible to increase footwear exports considerably by reducing prices. As the volume of business is expected to be quite large, price reduction to make Indian footwear competitive may work out to be advantageous in the long run.

At present, India's share is quite insignificant. It is possible to increase its share by properly cultivating importers. Very few Indian exporters have entered the market. There is good scope for exporting leather footwear and fancy footwear. The tariff duty on footwear varies from 5 to 20 per cent.

Insulated Wires and Cables

During past few years, electricity generation capacity has vastly increased. Demand for power in towns and villages is increasing by leaps and bounds. Besides many new houses are being built by Government and private sector to meet rapidly increasing demand for airconditioned dwellings and offices. All new houses that are being built are invariably electrified. This has led to sharp increase in imports of insulated wires and cables. Recent trends in imports illustrate rapidly rising demand for wires and cables.

Imports of Insulated Wires & Cables

Year	Value (in '000 US $)
1964	1,117
1965	2,775
1966	3,307
1967	4,186
1968	4,026

Source: External Trade Statistics of Libya.

Increasing tempo in imports is likely to continue during next five years, as there are no proposals for establishment of a unit to produce insulated wires and cables. At present, major suppliers are Italy and the United Kingdom followed by the U.S.A., France and Belgium. The predominance of a few countries in imports is explained by the fact that major construction contracts have been in the hands of contractors coming from these countries. Italians until a few years ago were dominating construction field and hence they have naturally shown a preference for imports from their country. In recent years, however, most of the building contracts have been won by East European countries. However, still consulting engineers who have to specify materials to be used in various construction programmes, are the British, who could be persuaded to recommend materials similar to those produced in India. So far, no Indian manufacturer has approached building contractors in Libya offering materials. Many contracting firms and the consulting engineers with whom discussions were held expressed the view that they would be quite willing to purchase materials from India if offered at competitive prices. Initiative from Indian exporter is so far lacking.

As over 95 per cent of imports is by construction companies and agencies, the only way to sell insulated wires and cables is to have either sub-contract work with main construction companies or to take up the contract for supply of materials. If this kind of arrangements can be worked out, other electrical accessories along with insulated wires and cables can be exported to Libya in considerable quantities. There is going to be booming trade in near future.

Switchgear, Transformers, Transmission Towers, etc.

External trade statistics of Libya do not separately show quantum of imports of above mentioned items separately except in the case of switchgear. As there is no local production of any of these items, entire demand is met by imports. In the First Plan, electricity generation was given priority and many towns and villages were electrified. By the end of the Second Plan, almost all villages are proposed to electrified. This will create a vast demand for transformers, transmission towers, switchgears and other related equipment. Recent trends in the imports of switchgear will give an idea about quantum of future demand.

Import of Switchgear

	(Value: '000 US $)
1964	255
1965	1,081
1966	2,677
1967	2,708
1968	2,772

Source: External Trade Statistics.

Most of electrical equipment is imported from the U.S.A., the U.K., Italy and Japan. India has not exported any of the items so far nor have there been any quotations from Indian exporters.

Discussion with Electricity Corporation authorities reveals that over 90 per cent of purchases is made through tenders. Unlike other tenders, the appropriate Ministry is competent to decide tenders. Therefore, the only way to sell Indian switchgear, transformers, etc., is through bidding for tenders directly or to have sub-contract with a major contracting firm with specific understanding that Indian materials as far as possible will be used in the jobs. Crompton Engineering Co. of Madras have laid the transmission line in Libya. The job was well appreciated.[1]

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[1] Unfortunately, further inquiries to the firm from interested Libyan parties have not evoked any response.

To make such sub-contracting profitable, it may be necessary to use Indian technical labour, which will increase invisible earnings also.

There are many Libyan contractors who have shown eagerness to collaborate with reputed Indian firms to bid for contracts. As there is complete inadequacy of technical know-how to undertake jobs, they depend upon overseas collaborators for all technological skills. If India can provide these services, there are bright prospects for exporting Indian products and also earning foreign exchange for services rendered by technicians.

Iron and Steel Products

Libya does not produce iron and steel. Manufacture of iron and steel items, especially of those required in oil industry and for huge construction jobs has not yet commenced. In view of shortage of natural and human resources there are no plans in the immediate future to develop any of these industries. As a result, imports constitute the only source for meeting continuously expanding demand for iron and steel and manufactures. In 1968, imports of iron and steel accounted for over 11 per cent of total imports into Libya. Recent trends in imports are given below:

Imports of Iron and Steel

('000 US $)

	1964	1965	1966	1967	1968
Bars, rods excluding wire rod of iron, steel hollow mining drill steel	1,520	1,417	1,358	1,308	1,837
Angles, shapes, etc., of iron or steel	515	876	686	986	1,266
Universal plates and sheets of iron and steel	1,128	1,674	1,518	2,759	4,494
Iron and steel wire excluding wire rod	644	1,946	3,391	5,359	6,695
Cast iron tubes, pipes	20,115	15,952	15,123	22,445	43,151
Seamless tubes and pipes of iron and steel	1,631	1,308	28	524	734
Welded, etc., tubes and pipes	6	470	3	109	62
Iron & steel tubes and pipes fittings	2,982	2,948	2,274	2,512	14,632
Others	540	680	438	746	879
Total	29,081	27,271	24,819	36,748	73,750

Source: External Trade Statistics of Libya.

From above trends, it is clear that prospects for selling Indian iron and steel products are excellent. Imports are expected to increase further during next five years in view of anticipated expansion in oil sector and building construction. Most of iron and steel products are imported by oil companies or building contractors. Demand from other sources is growing but still not significant. Some metal-based industrial units do import steel but their quantitative requirements are small. A brief description of trends in imports of individual commodities along with sources are discussed below before an assessment of prospects and problems is evaluated.

Cast Iron Tubes and Pipes

Libya imports huge quantities of cast iron tubes and pipes for its petroleum industry. Italy, Japan, West Germany, the U.K., France and Belgium are important suppliers. India has not exported these items so far. In view of short haulage, Western European countries are likely to have freight advantage.

Iron and Steel Wire

Next important item is iron and steel wire (excluding wire rod) imports of which increased steeply from \$0.6 million in 1964 to \$ 6.7 million by 1968. Italy is the most important supplier followed by West Germany, Belgium and Poland. India exported wires worth $ 8,400 in 1966. But there were no exports in 1968.

Universals, Plates and Sheets

Imports of universals, plates and sheets increased from $ 1.1 million in 1964 to $ 4.5 million in 1968. Italy, Belgium, West Germany and the U.K. are principal suppliers. India did not have any share and does not seem to be in a position to export in view of rising domestic demand. European countries are likely to have freight advantage in this item also because of large shipping space it occupies.

Iron and Steel Pipes and Pipe Fittings

Although there has been a slight diminution in imports of iron and steel tubes and pipe fittings, demand is quite significant. Imports were valued at $ 14.6 million in 1968 as against $ 3.0 million in 1964. However, with rapid rise in construction activity, demand is expected to be quite sizable in future.

India supplies pipes and pipe fittings to several countries. Except for a small quantity of exports worth less than $ 1,000 in 1967, India has not been able to capture the market. West Germany, Holland, Italy, Switzerland and the U.K. are the principal suppliers.

Angles, Shapes, etc.

The imports of angles, shapes, etc., increased from $ 0.5 million in 1964 to nearly $ 1.3 million by 1968. Most of imports come from Italy, West Germany, Belgium and Hungary. India did not figure in this line.

Bars, Rods, etc.

Imports of bars and rods which increased marginally from $ 1.5 million in 1964 to $ 1.8 million in 1968 came mostly from Belgium, West Germany and Italy. There were no imports from India.

Other important items imported under iron and steel group are seamless tubes and pipes, welded tubes and pipes, hoop and strip, puddled bars, blooms, billets, Slabs and other miscellaneous items. Imports of these items vary widely from year to year.

Prices: In respect of many steel products, Indian prices are reported to be competitive. For instance, Indian prices of steel channels are $ 78 per tonne f.o.b. Calcutta, which is considered fairly reasonable. But freight, which comes to about $ 20 per tonne from Calcutta to Tripoli, is twice as much as from Europe and this places India at a disadvantage. Current c.i.f. price of re-inforced steel bars is $ 100 per tonne from European countries. Three months ago, it was only $ 80 per tonne. Average c.i.f. price of iron and steel products is between £L 30 and £L 35 per tonne.

Another disadvantage which India has is long delivery period. In a free, competitive market like Libya, reasonable prices and prompt deliveries are very much essential for capturing the market. In addition to long time taken for transporting goods due to distance, some Libyan importers mentioned frequent strikes in Indian factories and dock yards as disincentives. Importers are quite inclined to place orders with Indian manufacturers for iron and steel items, if deliveries are assured within a reasonable period of time.

As bulk of the purchases are made by building contractors and oil companies, it is very much essential that Indian manufacturers approach them for supplying iron and steel products. Building contractors require steel pipes and reinforcing steel bars. Demand for steel pipes is going to increase enormously during coming few years. Water supply and sewage schemes will generate demand. For proposed civil works included in the Second Plan also, huge quantities of steel pipes and reinforcing steel bars will be required. If Indian contracting firms bid for and win construction tenders, there will be excellent scope for increasing exports of these items. Alternatively, it is also possible to supply these materials to contracting firms if offers are made at reasonable prices with regular deliveries.

As regards requirements of oil companies also, there appears to be good scope for India in meeting them. Discussions with some important local companies reveal that they are not necessarily tied to purchase stores from any particular source. They are prepared to buy from any source, including India, if goods are offered at competitive prices.

Oil companies require seamless casing pipes, tubings, drill pipes, rigs, etc. Diameter of pipes vary from 20" to 4½". Sizes of oil tubings mostly in demand are 4½", $2\frac{7}{8}$" ; $2\frac{3}{8}$" and 3½". C.i.f. price varies from $ 115 (for tubing of 3½") to $ 1,300 (20" casing) per 100 ft.

Line pipes of sizes 4½" to 12" diameter are in demand. Prices vary between $ 60 and $ 200 per 100 ft. depending on sizes.

It should be noted that oil companies insist of API specifications (preferably API monogram on products). Prospective exporters should first of all make sure of standards before making any inquiries. All leading oil companies operating in Libya follow standards laid down in "Oil Country Tubular products - Engineering Data", which is issued by ARMCO, Ohio, U.S.A.

Oil companies have their agents in London who normally look after purchases. Sometimes limited tenders are also issued. This is an expanding field in which India can hope to get a share, especially in pipes and tubes. It is known that India produces pipes and tubes according to API specification.

Metal Working Machine Tools

Metal processing and engineering industries form an important segment of industrial structure of Libya. These workshops are fairly well equipped with modern machine tools and welding facilities. They are engaged in heavy and light metal fabrication, diesel engine rebuilding, construction of mobile house trailers, etc. Their activity is mostly oriented to meet demand of oil industry. Besides, there are sheet metal workshops in Tripoli and Benghazi which are engaged in fabricating reservoir tanks, oil drum, metal furniture, domestic utensils, etc.

Growth rate of this industry largely determines demand for various types of machine tools like lathes, shaping, drilling, planing, boring and other sheet metal working machines. In view of expected increase in demand for various kinds of products manufactured by local industry, production of these units is proposed to be increased by meeting further fixed investment to the tune of $ 2.2 million. Of this $ 1.26 million is proposed to be spent on integrated unit for manufacture of various types of cans and the remaining amount is to be spent on modernisation of existing engineering workshops and an establishment of new ones. All these programmes will involve sizable imports of various types of machine tools. Imports of metal working machine tools increased steadily during recent years.

Imports of Machine Tools

Year	(Value: '000 US $)
1964	112
1965	224
1966	479
1967	426
1968	300

Source: External Trade Statistics of Libya.

Italy has all along been major supplier with nearly 70 per cent share in imports followed by West Germany and the U.K. These countries enjoy an advantage in terms of freight as compared to India particularly in respect of heavier items like machine tools. But prices are lower than those of other countries, which should give an edge. So far, no Indian manufacturer has tried to sell machine tools. One or two machine tools were exhibited in the last International Tripoli Fair, but exhibits were not in working condition. Moreover, there was no one who could explain technical details of exhibits. Many local importers could have been interested in some machine tools, if proper care had been taken in selection and if necessary literature was provided. It is, therefore, clear that it would require extra effort to push sales of machine tools by convincing importers about quality and performance by arranging suitable demonstration, etc. Until this is done chances seem not too bright.

Hand Tools and Small Tools

Imports of hand tools and small tools rose sharply as a consequence of expanded activity in agriculture, industry and construction. Imports increased from $ 1.0 million in 1964 to $ 2.5 million in 1968, as seen from the following table:

Imports of Hand Tools and Small Tools

(Value '000 US $)

Items	1964	1965	1966	1967	1968
Agriculture hand tools	78	129	143	171	204
Saw blades - hand saws	62	70	125	130	232
Pliers, pincers, etc.	330	476	566	669	1,081
Hand tools, etc., n.e.s.	344	422	518	543	692
Interchangeable tools for hand and machine tools	137	112	196	305	242
Machine cutting blades	3	3	7	11	25
Tool tips unmounted	17	45	78	34	39
Total	971	1,257	1,733	1,862	2,515

Source: External Trade Statistics of Libya.

Agricultural hand tools, hand saws - metal as well as wood working - pliers, pincers, etc., and other miscellaneous types account for bulk of imports. Except agricultural hand tools, all other tools are purchased by oil companies or building contractors. Local sales are not sizable. Contracting firms generally purchase their requirements from their own countries.

Exports in the past were very insignificant. West Germany, Italy, Sweden, the United Kingdom, the U.S.A. and Japan are the principal suppliers. If Indian manufacturers approach big contracting firms and offer merchandise at competitive prices, there are good chances of gaining a share. So far, no effort has been made by Indian manufacturers.

Dyes and Chemicals

Information on caustic soda imports are not available, as they are included under a broad heading in External Trade Statistics of Libya. Only industries which have been established in Libya requiring caustic soda are laundry soap and detergents manufacturing units. Detergents manufacturing unit has recently gone into production. Estimated production of these units by 1973 are as under:

Laundry soap: 900 tons
Detergents: 8,000 tons

A toilet soap unit is also proposed to be set up during the Second Plan, which will create additional demand for caustic soda. At present, requirements are met by imports mainly from neighbouring Western European countries. Chances of India exporting are not rated high, owing to long lead involved.

Dyes: As industries using dyes are not developed, imports are small. Relevant figures are given below:

Imports of Dyes

(Value in '000 $)

	1964	1965	1966	1967	1968
Synthetic organic dyestuffs natural indigo and colour lakes	42	28	42	42	62
Dyeing and tanning extracts and synthetic tanning material	10	28	11	132	213

Imports of dyeing and tanning materials expanded very rapidly from a level of $ 10,000 in 1964 to $ 213,000 by 1968. These are consumed by three tanneries. There are prospects of expanding capacity of these tanneries to 1.3 million square feet of leather per year, which will correspondingly increase demand for dyeing and tanning materials. West Germany, Italy and the U.K. are the principal suppliers. This market is well worth taping.

Rubber Tyres and Tubes

Imports of rubber tyres and tubes have increased sharply in recent years along with rising imports of various types of automobiles and other road transport vehicles. Major portion of demand is for automobile tyres and tubes. The replacement demand, which is at present rather high, is likely to decline because of vast improvement proposed in road network. Imports have recorded an impressive rise.

Imports of Tyres and Tubes

(Value: '000 $)

Item	1964	1965	1966	1967	1968
Vehicle rubber tyres and tubes	2,867	3,679	4,217	3,762	6,678
Motorcycle tyres and tubes	42	50	81	14	48
Cycle rubber tyres and tubes	59	39	50	62	65

Source: External Trade Statistics of Libya.

The rising trend in imports is likely to continue during next five years. According to official estimates, demand for tyres is expected to be about 190,000 by 1973 against present level of 150,000.

Except for increase in retreading capacity, there are no proposals to establish units in Libya for manufacture of tyres and tubes, due to the fact that demand is for a multiplicity of sizes. Besides, there are already units in Maghreb Union (Morocco and Algeria) with capacity sufficient to meet Libya's demand as well. Moreover, quality of tyres produced is reported to be good and acceptable to users in Libya. Libya, therefore, is proposing to supply synthetic rubber and in turn import tyres from them. If these proposals are agreed to, chances of other countries exporting tyres and tubes to Libya will be very much limited.

If these proposals do not materialise, then there would be excellent demand for tyres and tubes. As India is in a position to supply only a limited range of sizes, its share will naturally be restricted. In Libya one notices a wide variety of cars. At present, most popular cars are Italian and the German followed by British. For exporting to the market Indian manufacturers should take into consideration shifts in demand for tyres as a result of changes in types of cars used in Libya. There are no imports from India. As units in India are manufacturing tyres and tubes in collaboration with internationally reputed concers, its products, it is hoped, would be acceptable to Libya.

Domestic electrical appliances

Owing to shortage and high cost of domestic servants, Libyan housewives have shown a high propensity to use electric gadges like washing machines, electric irons, toasters, domestic refrigerators, etc. Imports of these items have increased at a fast pace during recent years.

Imports of Domestic Appliances

Year	Value: '000 US $)
1964	1,352
1965	1,770
1966	2,279
1967	2,307
1968	3,111

Source: External Trade Statistics of Libya.

Italy, the U.S.A., West Germany and Holland are main suppliers. Recently, Japanese electrical goods have been imported in considerable quantities.

Increasing trend in imports is expected to continue during next five years in view of anticipated increase in per capita income and in absence of proposals for setting up units. Market enquiries reveal that there is keen competition from well-reputed European manufacturers. Some knowledgeable importers have opined that Indian products are not acceptable due to poor quality and high prices. Indian prices seems to be very much higher than European prices. Therefore, there is no scope for India to export domestic appliances in near future. However, as electricity gets into rural homes, there would be demand for inferior quality and low-priced products. As there is scope for cost reduction in India, a time may come for India getting a small share.

Industrial Machinery

Due to slow pace in industrialisation machinery imports into Libya are not significant. Most of machinery imported are for agriculture or oil sector. Some textile weaving and spinning machinery is also imported. Imports during last four years are given below:

Spinning and Weaving Machinery

	(Value: '000 US $)
1964	157
1965	451
1966	403
1967	325
1968	507

Source: External Trade Statistics of Libya.

At present, Italy is principal supplier of textile machinery followed by Japan and Poland. There are no imports from India.

During the Second Plan period, sizeable increase in demand for industrial machinery especially for textiles and cement is anticipated. Industrial development programmes envisaged for next five years include expansion in the textile weaving and cement factories which will require additional imports. Brief details regarding development programmes are given below:

Textile Industry

In view of rising demand for traditional clothing, capacity of existing textile units is proposed to be increased. Present value of output is $ 4 million which is proposed to be increased to $ 6.7 million with an additional fixed investment of $ 2.0 million. This will necessitate import of textile weaving machinery. As investments proposed and for expanding capacities of existing units manufacturing cotton, wool and other products, demand for any single item will be small. Indian manufacturers may find it worthwhile to approach individual units for selling textile machinery.

Cement Industry

There are already two units under erection. One of the units is nearing completion and tender for the other has recently been approved. During the Second Plan, it is proposed to expand capacity of one of the units. In addition, another factory with a capacity of 110,000 tons is proposed to be established at Tripoli. If Indians can participate in erection of the proposed plant by offering competitive prices, there will be a chance of exporting cement machinery.

There is a tentative proposal for establishment of a sugar factory based on beet roots. But it has not been finalised. Prospects for setting up the factory are quite dim in view of the raw materials problem. Imports of cane sugar would definitely work out cheaper.

Prospects in Other Commodities

In addition to commodities mentioned above, there is scope to export a large variety of consumer articles, though in small quantities. As Libya's import trade is free with very few restrictions, there is a great urge on the part of Libyans to import everything from abroad. This has become all the more necessary because of the non-existence of any significant industry except oil. In order to get a foothold in the market, Indian manufacturers could export a number of new products to make an assessment of consumer acceptability. Many of commodity lines have not been explored at all.

Market enquiries reveal very good scope for exports of items mentioned below from India. A brief description of the commodities, competitive sources and prices of present suppliers are given below for the guidance of Indian exporters.

Rice

Rice is an important item of Libyan diet. As there is no domestic production, entire requirements are met by imports. Present annual demand for rice which is about 12,000 tonnes is likely to go up during coming years. At present, Libya imports rice from the U.A.R., People's Republic of China and the U.S.A. Rice imported from the U.A.R. and China is of inferior quality. The U.S.A. is selling 'Uncle Ben's' proboiled rice packed in paperboard cartons, for which demand is on the increase. Higher income groups purchase packaged rice. Market enquiries reveal that there will be excellent scope for exporting *basmati* rice. In the past, India and Pakistan did export small quantities of rice, which were sold very quickly. Regular supplies have not been maintained. Initially, demand has to be created by undertaking promotional effort. Libyans prefer to have clean rice in packets of one or two kgs. The Libyan market offers excellent scope for superior varities of rice. Retail price of Uncle Ben's rice is 22 piastrrs per kg. The ruling c.i.f. price for *basmati* rice is about $ 288 per tonne which is considered quite competitive. It may be possible to get even better price, once Libyans develop a taste for *basmati* rice.

Low income groups purchase loose rice at retail shops in small quantities. So far as this segment is concerned, packing should be in 25 kg. bags, which are preferred. However, samples must be sent to importers first. Even in low income groups basmati rice would sell well. Presently market is catered to by the People's Republic of China. Quality is inferior and c.i.f. price is $ 4.2 (Rs.36.50) per 25 kg. bag. Indian rice can certainly enter at this price. The probability is that with superior quality, India can get a better price as well.

Trucks and Buses

Lorries and trucks constitute an important item of imports forming nearly 3 per cent of total. In coming few years, transport facilities are proposed to be expanded to meet the growing demand for services. As there are no railways passengers as well as freight have to be carried by trucks and buses. At present, Italy is the principal supplier, followed by West Germany, the U.K. and the U.S.A. Telco is exploring the market for its trucks. Prospects appear to be good though the offtake would be quite small. As there are no body-building capacity, Libya will continue to import buses and trucks. As labour is cheap, compared to Western European countries, Indian trucks may get a price advantage. However, size of demand for the trucks is not much as to induce Indian exporters to exert concentrated effort. It is reported that Libyan imports around 700 to 800 trucks per annum out of which Telco's share is 150 - 200 trucks. One cannot expect to meet the entire demand and a share in the small market may be inconsequential from Telco's viewpoint.

The c.i.f. price of Indian truck works out to Rs.38,000 out of which freight alone would be around Rs.16,000. If the size of demand is considerable, it is possible to reduce freight by approaching the shipping conference. After allowing for export incentives and relief in freight charges, Indian truck can be sold at Rs.20/22,000, which is the rulling price. It is, therefore, considered that there will be some scope for selling Indian-made trucks in Libya.

Sanitaryware

With huge construction programmes going on, imports of sanitaryware have gone up sharply. There are no proposals for setting up units for manufacture of sanitaryware. Most of imports come from Italy and the

U.K. Good scope exists for Indian sanitaryware, building contractors are approached for orders.

Canned fruits

Consumption of canned fruits is going up at phenomenal rate. At present, canned fruits are imported from almost all countries. C.i.f. prices of canned fruits from Communist China and Cuba are as under:

Item	c.i.f.c. 5%
1. Laiyang pears in syrup packing 24 tins x 820 gms.	39 Shs. 8 d.
2. Pears in syrup (packing as above)	38 Shs. 6 d.
3. Peaches in syrup packing 48 tins x 425 gms.	49 Shs. 8 d.
4. Apples in syrup packing 48 tins x 170 gms.	38 Shs. 6 d.
5. Cuban Mangoes 48 x 170 gms.	26.Shs. 6 d.

Market enquiries reveal that there is good demand for pineapple juice and canned slices. At present, these are imported from Hawaii and Malaysia. Mango syrups, juices and canned mangoes from Egypt are also reported to be selling well. Many of the varieties that are selling in Libya are produced in India and sold in many parts of the world. The market has not been explored so far by Indian exporters. Recently, some of Indian parties have sent their offers to agents. One of the commission agents, who has nearly 70 per cent share of the market for food items, has shown his preference for promoting Indian cann canned fruits and juices. Prices are reported to be slightly higher. Indian products have sold well in the last Tripoli Fair which indicates that if good quality canned fruits are sent, there will be a sustained demand.

Kerosene Stoves

There is very good demand for kerosene stoves. Indian exporters have taken to this line with vigour. Prices are quite competitive and there are further possibilities for expansion. C.i.f. prices of the Primus Brand are given below:

Primus stove No. 2 : c.i.f.c. 5% : 32 Shs.
Primus stove No. 3 : " " : 63 Shs.

Indian prices are quite competitive compared to German ones.

European makes are generally reported to be costlier. As the demand for these stoves is mostly from mofussil areas, low priced varieties can be sold with profit.

Paints and Varnishes

There are two pint factories in Libya. Another unit is proposed to be established during the Second Plan. They manufacture a very limited range of products and hence all special paints are imported. As there is domestic production, customs duty is slightly higher (30 per cent ad valorem). There is, however, no ban on imports.

Libya is importing paints from Italy, the U.K. and the U.S.A. Recently some reputable concerns from India have started exploring this market. Prices should be at least 10 per cent lower than those of I.C.I. paints to make it possible to gain a share. A Calcutta firm has submitted quotations and samples. Unfortunately, Libyans do not have necessary expertise to judge quality of a small sample, hence the importer has asked for bigger quantities to judge. If the importer is satisfied, business is likely to be done. In view of the rising demand it is worthwhile to explore the market.

Plastic Moulded Goods

There is considerable scope for plastic moulded goods. At present all requirements are imported, as there is no manufacturing capacity. In the immediate future, there are no prospects for local manufacture. Italy is the main supplier. India in the past exported small quantities, but in recent years has not shown enough enthusiasm to capture the market. Indian prices too are reported to be competitive.

Sports Goods

With rapidly rising incomes, sports have become a favourite recreation. The Government is also encouraging sports. Two big sized sports ones are coming up in Tripoli and Benghazi. Football is a favourite game. These developments are likely to create good demand for sports goods. India is already exporting football covers and bladders and Rugby ball covers and bladders. There is scope for expanding its exports in other lines also like tennis rackets and balls, badminton rackets and shuttle cocks, hockey and cricket bats and balls. At present, these are mostly imported from the U.K.

Exposed Cinematographic Films

Indian films are very popular in Libya. The local population have an immense liking for Indian films and music. No exports are recorded in Indian statistics although Indian films are run quite frequently. It is, therefore, presumed that these are imported either from Egypt or Lebanon, where Arabic subtitles are made. There is scope for exporting directly more Indian films. India can, not only earn foreign exchange, but also strengthen cultural bonds through film exports which will ultimately lead to expansion of trade in other products. While screening Indian films, range of Indian manufactures could also be advertised through slides. News reels depicting progress that India has made in industrialisation could also be screened to dispel some of the misgivings that Libyans have about India.

Conclusion

Prospects for promoting exports of individual commodities have been discussed in detail in the earlier paragraphs. At present our exports total US $ 1.9 million. Looking to the demand pattern of various commodities it is possible to expand our exports to the level of $ 15 million by 1973-74. The break down of anticipated exports by individual commodities is given in Table 24. Oil is the only main commodity whose exports Libya wants to increase.

Chapter 7

JOINT VENTURES AND SERVICE CONTRACTS

Phenomenal increase in development expenditures coupled with rising expenditure of oil companies has created a booming market for all types of goods and services in Libya. Aware of complete dependence on oil, the Government of Libya is anxious to diversify economy as far as natural resources permit.

The Government policy is defined in two enactments which give concessions to local and foreign entrepreneurs. The Development of National Industry Law of 1956 provides a series of exemptions and assistance measures to industries. Thus, industrial units need not pay property tax for a period of 10 years; they are exempted from payment of income-tax for 5 years; they get exemption from custom duties on imports of equipment, spare parts and raw materials for a period not exceeding five years. Upto December 1968, 139 firms availed themselves of these exemptions under the law.

In 1956, an Act regulating investment of foreign capital was enacted to encourage its inflow. The Act was amended in 1968 to bring it in line with changed economic conditions without prejudice to privileges granted earlier. This enactment confers the same concessions as listed in the Development of National Industries Law of 1956 to foreign investors. In addition foreign investor is given the right to repatriate his capital together with profits accrued. The only difference between the original and the amended Act is that exemptions are conferred only on units with a paid-up capital of not less than £L 200,000 with foreign participation of a minimum of 51 per cent. The wording of the new enactment makes it clear that exemptions are available to even 100 per cent foreign-owned industrial unit. The only condition is that the Government should be convinced of the importance of the project to economic development.

The third measure which the Government has taken to actively develop industries is establishment of the Industrial and Real Estate Bank in 1965. The Bank provides interest-free loans to industrialists. The Bank's role is not confined only to financing; it acts as a catelytic agent by exploring investment opportunities through continuous studies and investigations and by actively encouraging entrepreneurs/clients to start new industries. Feasibility studies are undertaken by the Bank on its own initiative. In effect, the Bank plays the role of a promoter and planner for private sector industries.

The impact of all these measures is seen from the fact that today there are 622 industrial units employing from 5 to over 5000 persons. In 1951, there were only 80 such concerns. A variety of items including cement, gypsum, cigarettes, textiles, canned foods, leather goods, etc., are produced in the country. The gross value of industrial output is estimated at £L 20.3 million.

However, impressive the above figures may be, general climate within the country is not very favourable for further industrial development. Limited market (population of less than 2 million), lack of raw materials, paucity of skilled personnel, low productivity coupled with high labour costs and inefficient management and relative shortage of risk capital arising out of a marked preference for investment in lucrative import trade have all proved stumbling blocks to industrial progress. The market is indeed small but it is growing fast. But further industrialisation is temperal by factors mentioned above. Even adoption of capital-intensive techniques in view of acute labour shortage may not succeed. Maintenance of machines and equipment is the key problem in the capital-intensive techniques and skilled workers are few and far between

Even though there are over 600 industrial units, they are small by international standards and their potential is meagre. Though no information is available on profitability of industrial units, it is known that they are in poor health. All government-owned factories with two exceptions are run at a loss. Success of the two units, Government Fruit Processing Plant and Cigarette factory is due to strong raw material base.

The oil boom becoming a major inhibitory factor in industrial growth has not been lost sight of by Planning authorities.[1] Sudden inflow of substantial oil revenus has made operation of industrial units difficult, in view of their impact on costs of basic inputs.

In spite of all basic difficulties, the Government of Libya has decided to carry out programmes of industrialization. The Second Five Year Plan envisages an increase in industrial production from £L 16.4 million in 1967 to £L 49 million in 1973.

1/ See the statement of Minister of Planning and Development, (quoted at) Chapter I, page 52-53.

The Ministry of Planning and Development has made an exhaustive study of industrial opportunities and formulated a tentative development programme for msnufacturing sector in the Second Plan.[1] A critical examination of the programme shows that it is unworkable, barring a few areas wherein the country has advantage in resources. These are petro-chemicals, fertilizers, fruit preservation and canning, etc.

The Libyan Government is aware of difficulties and has decided to establish the following units, in the Second Plan, if no private party is forthcoming, while leaving other projects to private enterprise.

1) Two milk pasteurisation plants (one at Tripoli and the other at Bengazi)
2) One vegetable canning unit
3) One date canning unit
4) One groundnut canning and butter making unit,
5) One woollen blanket unit
6) One shoe factory
7) Expansion of cement factory at Tripoli to 110,000 tonnes per annum
8) New cement factory (200,000 tonnes per annum) in the Cyrenaica region
9) One paints factory
10) Two pottery units
11) One scrap mill

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[1] Ministry of Planning & Development: Manufacturing Sector - A Tentative Development Programme, 1969-73 in 2 Volumes, March, 1969.

It is evident from the above discussion that there is little scope for Indian entrepreneurs to participate in industrial development of the country. Costs of industrialisation in Libya are very high. There is scope for only small scale industries in view of limited market. Further, in view of labour shortage, capital-intensive techniques would be preferred on groups of cost and this is an area where India has limited technical expertise. Therefore, any proposal for joint ventures has to be studied very carefully.

In this connection, experience of the only Indian manufacturing company operating in Libya warrants review. Indian Hume Pipe Co. started a unit in March, 1966 for manufacture of 2½ metre length reinforced cement pipes from 8 cms. to 120 cms. diameter. The unit is 100 per cent Indian owned. It employs only 16 persons of which 9 are Libyans (all unskilled workers). Since its inception, the unit is incurring losses to the tune of £L 5,000-6,000 per annum.

Ambitious construction programmes and a large number of sewerage and water supply schemes that were proposed under various plans provided the raison d'etre for starting the unit. However, the unit found marketing problem to be insuperable. The British engineering consultants engaged by the Government for Beida Development Organisation and other Public Works Departments (main users of pipes) prescribed use of mass concrete pipes upto 50 cms. diameter for sewage purposes. For higher ranges, re-inforced pipes were recommended. As bulk of demand for pipes is for 50 cms. diameter and below, the unit could not sell its products. Unfortunately, the Indian management did not think of shifting production programme to suit changed market conditions. Under these circumstances, losses were inevitable. Though marketing was the major factor for uneconomic working, paucity of labour and high wage levels also contributed to losses. The firm has thus presented a pricture of inefficient Indian management to the Libyan public. As this is the only Indian unit engaged in manufacturing urgent steps need to be taken to improve its working lest it reflects adversely on the India's image as a manufacturing country.

Two steps are suggested to improve its working. The company might be encouraged to manufacture mass concerete pipes for which there is demand. This would entail an additional investment of about Rs. 300,000. The Government of India and Reserve Bank should allow export of capital. It is understood that necessary equipment is manufactured in India. What is required is a licence to export equipment without immediate payment in foreign exchange.

Secondly, the company should be encouraged to take Libyan partners. At present, the ownership is 100 per cent Indian. Unless some influential Libyan parties are given a stake in the Unit, marketing problem is likely to be difficult. It is understood that the company is exploring avenues for such collaboration.

If, however, for any reason these steps cannot be taken, it would be in the Indian interest to close down the unit. It is very unlikely that it can prosper with its present manufacturing equipment. Even if it decides to manufacture mass concrete pipes, it will have to face competition from established firms. Without imaginative and efficient management, the unit would not make any headway.

The example brings out clearly manufacturing difficulties in Libya even in an area where market prospects appeared to be reasonably good. In view of Indian equity participation appear to be anything but bright.

While direct participation in industrial ventures is thus unlikely to present viable opportunities, India can expect to get some orders for machinery and equipment. Barring a third country participation, Libyan Government/ entrepreneurs would still need capital equipment for units proposed to be got up in the Second Plan. Besides, some units would need imported raw materials. If, therefore, prospective Indian exporters can find reliable Libyan parties, some business could be done. If the Government decides to establish factories, open global tenders would be invited. Here, too, the price factor is of utmost importance. Recently the Libyan Government invited tenders for erection of a cement factory with capacity of 600 tons per day. A well-known Indian cement machinery manufacturer put in a bid for £L 8 million. A West German firm won the tender for £L 3.25 million. The difference between prices of Indian and the winning tenderer shows how much they are out of line.

Another area where Indian can strengthen its economic relations with Libya is in the field of technical and managerial skills. The severe shortage of technical personnel has been commented on repeatedly in this report. The Libyan Government will always be on look out for manpower. Thus, it is already searching for a manager for proposed cement plant. The tender with the West German firm is limited to erection and supply of machinery. It is reported that one or two Indian firms are trying to obtain management contract. Similarly, management of two animal feed plants of 10,000 tons capacity, which have been recently completed, will be given on tenders. The foreign party will be expected to invest about 15 per cent of capital cost about £L 10,000 to 15,000. The Government of India should encourage such 'service' exchanges, as they utltimately bring foreign exchange to the country. Trade in services is not limited only to management field.

Libya requires a large number of doctors, nurses, teachers and engineering personnel and a government-to-government agreement may facilitate flow. It may be added that though requirements for trained personnel is sizeable, it would amount to an insignificant percentage of numbers trained in India.

Service Contracts

After petroleum, the biggest industry in Libya is construction. No less than three-quarters of all public investment under the First Plan went to finance construction. Though the tempo is expected to show down slightly in the Second Plan, expenditure on construction work would be more than double of that in the First Plan. On a rough estimate about £L 700 million would be spent on building and construction which includes roads, residential housing, office buildings, ports, power transmission system, water supply and sewerage works, etc. To this should be added construction work undertaken by oil companies (pipelines, terminals and other structures) and the private sector.

Tendering Procedure: Execution of Government construction work is invariably on the basis of tenders. Several tender notices appear almost weekly in local newspapers and periodicals. Tenders are generally issued by the Central Tenders Board, a body specially constituted for the purpose. However, this individual Ministries and Departments invite tenders for urgent works and/or for works estimated costing less than £L 100,000.

Tenders are classified in two categories - international and national. Foreign companies are allowed to bid for international tenders which are usually of £L 5 million and above in value, provided they are registered with the Public Works Ministry.

Registration procedure is simple and does not cost much. Application has to be made in a prescribed form in Arabic (translation of a specimen form is reproduced in Appendix 8). A foreign firm seeking registration must have a capital base of £L 250,000 (or Rs. 5.25 million) and should have performed work of value of £L. 6 million. It is in the interest of prospective Indian applicant to have a liaison with Libyan firm or agent, to expedite work.[1] It takes about two/three weeks to get registration after submission of application. Naturally, the period depends on the 'contacts' of the Libyan party. It may be added that, even if Indian firms are interested in sub-contracting, registration is a must. For in deciding award of the contract, credentials of associates are also examined. Sometimes it may happen that the main contracting party may not have necessary experience in a particular field. Thus, a Libyan firm which has proven experience in civil works may not have undertaken any erection work. Now, in cases where both types of work are involved, as it happens in the case of erection of power transmission lines, Libyan firm may not qualify for the job. Hence, registration of associate firm is likely to tilt the balance in favour of Libyan firm.

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[1] A list of Libyan construction firms is given as Appendix.

National tenders are open only to Libyans. As required tehcnical skills are not locally available, most Libyan firms have arrangements with foreign parties for provision of technical know-how and skilled personnel. Hence even work on local tenders is done by foreigners. The role of Libyan partner is to get tenders through contacts, expedite payment and generally to keep liasion with government departments and other organisations of individuals.

Once tenders are announced, prospective bidders have to purchase documents, which cost £L 5 to £L 5,000. It may be emphasized that the Indian Mission in Tripoly is not in a position to supply documents. Though the Mission would help in any way it can, it does not have funds to purchase documents. Indian bidder must make his own arrangements in time. In a majority of cases, value of the work is not stated and an ad hoc sum is prescribed for depositing with the tender which usually varies between £L 1,000 and £L 150,000. Alternatively, if the tender amount is announced, two per cent of it has to be deposited. Deposits can be paid either in cash or by bank guarantee. Tender documents send by registered post are accepted, the only condition being that envelopes must be sealed in red wax.

Tenders are opened in public and participants or their representatives including Embassy officials have a right to attend. Successful bidders have to deposit another 5 per cent of the contract amount. In case of international tenders, foreign firms have to transfer 10 per cent of the value of the contract with a limit of £L 100,000 within a period of one month from the date of signature.

Under the rules, the contractor gets an advance equal to 40 per cent of the value of machinery and equipment and 70 per cent of the value of materials at site, on commencement of work. If the work is completed in stages, 90 per cent of the value of the completed work is paid after deducting 10 per cent of the advance paid on account of materials and machinery. On completion of whole job, the balance of 10 per cent is paid within 60 days of handing over the works to the authorities concerned. The earnest money deposited at the beginning is retained for a period of one year as a security against any defects in construction.

Though the above procedure gives impression that sizeable finance would be coming from Government during construction period, prospective firms have to guard against bureaucratic delays and arrange for temporary financial accommodation.

Construction contracts are very lucrative in Libya, the profit margin being around 30/50 per cent. Further, contracts are used to promote exports of products from countries to which contractors belong. Business was, for long, in the hands of Italian and British companies. In recent years they particularly British have been pushed out by Bulgarian and Yugoslav firms. It now appears that contracts for construction work are won almost invariably by East European and Italian firms. As regards power stations, desalination plants, industrial plants, etc., West Germans and British are prominent. It is worth noting that an Indian firm which got a sub-contract from an international firm for erection of transmission lines has done a very satisfactory job. Unfortunately, the firm has not responded to inequiries from Libyan parties for further collaboration.

Opportunities for service contracts are ample and would increase in the near future. Tenders for road construction (a total of 330 kms.), residential houses, schools, hospitals, etc., are likely to be floated. Chances for Indian contractors are quite promising. There is abundant goodwill for India; recent performance of Crompton of Madras has brightened the image and there are Libyan construction firms willing to go in for collaboration. Indian Mission in Tripoli would be glad to help Indian contractors in securing contacts with reputable local parties. The trouble is that Indian firms are not willing for reasons best known to them. It is reported that existing Reserve Bank regulations on export of capital constitute a major deterrent. If it is so a way out must be found through discussion with the Bank and the Ministry of Foreign Trade.

However, entry in the service contracts should be well planned by providing adequate sageguards against possible dangers. It is, therefore, necessary to indicate some of the pitfalls in contracting business. Increasingly construction work in Libya is becoming the graveyard of international contractors, some of whom have left the work in midstream. Constantly rising costs, which are high by international standards, absence of even unskilled labour and lack of maintenance and facilities for repairs have adversely affected the profitability of firms. The difficulties are further aggravated by delays in obtaining entry permits for skilled and semi-skilled labour, delays in payment, procedural delays in transferring funds into Libya, and by rigid specifications laid down by foreign consultants employed by the Government. These consultants, accustomed as they are to their countries' standards, prescribe those standards, which necessitate costly imports from third countries.

Further India has certain disadvantages. Long distance would add to costs. Skilled and semi-skilled personnel will have to be flown. Proximity of Yugoslavia, Bulgaria and Italy enables their firms to bring equipment, repair units, personnel, etc., quickly and cheaply. It is an open question whether, under these circumstances, Indians can put in a competitive bid. It is reported that East European Governments in order to earn foreign exchange subsidize losses of their firms, which in turn enables them to submit low bids. So far the Government of India has no scheme of incentives for export of 'services'.

The above discussion points to the need for careful preparation of cost estimates before submitting tenders. In view of risks involved, it is better to form a consortium of Indian contractors to bid for tenders. Alternatively large contracting firms can go in for collaboration with Libyan firms. Yugoslavia has used both these methods. Thus Yoguslav construction firms like Bosna, Yugoinvest and Slovenceste operate within Libya independently while Inter-Libyan Co. is owned partly by Libyans and partly by a consortium of Yugoslav firms. The general impression that one gets is that there is good long-term contracting business, but immediately a big share cannot be expected as India would be a newcomer. It may be that Indian firms have even to substain losses initially to gain a foothold. Further, contracting bussiness can be looked upon as an instrument for promoting sales of India's products. Thus, even small jobs like digging wells, which are given on tender, could be used for profitable deployment of Indian pumps and agricultural machinery. Similarly, contracts for building residential houses and offices can be used to sell steel structurals and other products. In fact, both aspects can be so linked as to yield overall profit margin. Naturally, such a scheme would involve close cooperation among manufacturers, contractors, the Reserve Bank and the Ministry of Foreign Trade.

Pending entry as main contractors, Indians should try for subcontracting. As stated earlier, even for such jobs, registration with the Ministry of Public Works would be helpful. Subcontracting or collaboration with Libyan firms should be relatively easy. It may be mentioned that some high value contracts are not put on tenders, but are offered to selected international firms for bidding. Lack of knowledge about the competence of Indian firms has effectively kept them out. This makes it all the more necessary for Indian firms to register and act in concert with some companies already established in Libya. Possibilities of getting sub-contracts from existing international contracting firms are not bright. Yugoslav companies indicated that they have enough capacity to complete jobs that they have undertaken.

A reference has been made above about possibilities of 'sale' of management and technical services. In engineering and architectural sectors also consultancy services are in great demand. At the moment, British have almost a monopoly. Of late, Yugoslavs are being engaged by the Government. While the Indian Mission should be able to canvass for Indian consultants, it must have complete information regarding prospective consulting firms. Alternately, Indian firms must contact various Ministries in Libya. There are already a few Indians in government departments seconded from the Government of India. Their number needs to be increased. Possibilities for employing Indian technical personnel in government and semi-government agencies have to be explored with the Government of Libya. In this connection, present unsatisfactory handling of 'deputation of experts' from Indian side needs to be commented upon. We have a small number of competent experts seconded from States and other Government departments in Libya. Their work is well appreciated. These experts have an initial contract for two years which is renewable. After one year and 11 months, the Libyan Government indicates its willingness to retain them. Almost invariably, decision from Indian side is long delayed, causing embarrassment to the person concerned and Embassy officials. If the decision is in negative the position becomes still worse. Indian competitors have been quick to point out the paradox of offering technical assistance and withdrawing it before Libyans are ready to take over. Further, it is wrong to presume that every departing Indian will be replaced by an Indian. Libyan confidence has been shaken by such summary termination (though such cases have been few). If India wants to push more and more experts first the confidence gap must be bridged by permitting deputationists to continue as long as their services are needed in Libya.[1] In fact, the Government of India should take a policy decision on the matter and communicate to the persons concerned. If the policy is to promote economic relations with Libya, steps must be taken to increase Indian presence as far as possible, even at the cost of slight inconvenience.

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[1] The Study Team, when it was in Libya, found such an instance. An engineer whose work was highly valued by Libyans was not sure whether his parent department would agree to extension, while the time was running out. Maintenance of complete silence by Indian side is all the more annoying.

TABLES AND APPENDICES

Table 1

POPULATION OF LIBYA

(Mid-year estimates)

Year	'000 Numbers	Percentage increase
1962	1,495	
1963	1,543	3.21
1964	1,595	3.37
1965	1,665	4.38
1966	1,730	3.90
1967	1,800	4.04

Source: Kingdom of Libya, Ministry of Planning and Development - Preliminary National Accounts of Libya, May 1969.

Table 2

REGIONAL DISTRIBUTION OF POPULATION, 1964

Administrative Division	Area '000 Sq.Kms.	Percentage	Population '000 Nos.	Percentage	Average Density per 100 Sq.Kms.
WESTERN					
Muqataas (Tripolitania)	250	14	1,034	66	413
EASTERN					
Muqataas (Cyrenaica)	855	49	451	29	53
SOUTHERN					
Muqtaas (Fezzan)	655	37	79	5	12
Libya	1,760	100	1,564	100	89

Source: Kingdom of Libya, Ministry of Planning and Development - Statistical Abstract, 1967.

Table 3

GROSS DOMESTIC PRODUCT AND NATIONAL INCOME

U.S. $ million at current prices

Sectors	1958	Per cent	1962	Per cent
Agriculture, forestry and fishing	38.1	26.1	41.7	9.7
Petroleum mining	10.1	6.9	96.9	22.6
Other mining quarrying	..	-	1.7	0.4
Manufacturing	16.8	11.5	25.2	5.9
Construction	5.0	3.5	30.5	7.1
Electricity & Gas	2.2	1.5	3.1	0.7
Transport & Communications	8.1	5.6	24.1	5.6
Wholesale & retail Trade	20.4	14.0	41.2	9.6
Banking & Insurance	-	-	4.8	1.1
Public Admn. & Defence	26.6	18.2	42.0	9.8
Educational Services	-	-	14.3	3.3
Health Services	-	-	5.9	1.4
Ownership of Dwellings	18.8	12.9	82.3	19.2
Other Services	-	-	14.8	3.5
Gross Domestic Product, at factor cost	146.1	100.0	428.4	100.0
Net Income from abroad	-	-	-19.0	- 4.5
Gross National Product, at factor cost	-	-	409.4	95.5
Less Depreciation	-	-	40.3	9.4
National Income	-	-	369.1	86.1
National Income(£L million)	-	-	131.8	-

(Contd..........)

Table 3 (Contd....)

Sector	1963	Per cent	1964	Per cent
Agriculture, forestry and fishing	42.3	6.7	46.5	4.4
Petroleum Mining	245.3	38.8	553.0	52.3
Other Mining quarrying	2.0	0.3	2.7	0.2
Manufacturing	27.7	4.4	32.2	3.0
Construction	37.0	5.8	64.4	6.1
Electricity & Gas	3.4	0.5	3.6	0.3
Transport & Communications	31.6	5.0	42.0	4.0
Wholesale & retail Trade	52.1	8.2	78.7	7.4
Banking & Insurance	8.1	1.3	14.6	1.4
Public Admn. & Defence	52.9	8.4	70.8	6.7
Educational Services	19.9	3.1	26.9	2.5
Health Services	7.3	1.2	9.5	0.9
Ownership of Dwellings	86.2	13.6	93.5	8.9
Other Services	17.1	2.7	19.9	1.9
Gross Domestic Product, at factor cost	632.8	100.0	1057.8	100.0
Net Income from abroad	-28.3	- 4.5	-216.4	-20.5
Gross National Product, at factor cost	664.5	95.5	841.4	79.5
Less Depreciation	60.2	9.5	80.1	7.6
National Income	544.3	86.0	761.3	71.9
National Income (£L million)	194.4	-	271.9	-

(Contd.....)

Table 3 (Contd.....)

Sectors	1965	Per cent	1966	Percent
Agriculture, forestry and fishing	70.0	5.0	75.9	4.3
Petroleum Mining	762.4	53.9	960.1	54.2
Other Mining quarrying	2.8	0.2	3.1	0.2
Manufacturing	35.3	2.5	40.3	2.3
Construction	99.1	7.0	130.2	7.3
Electricity & Gas	4.2	0.3	4.8	0.3
Transport & Communications	51.3	3.7	69.2	3.9
Wholesale & retail Trade	93.2	6.6	118.2	6.7
Banking & Insurance	19.6	1.4	24.4	1.4
Public Admn. & Defence	99.4	7.0	125.4	7.1
Educational Services	36.7	2.6	47.0	2.6
Health Services	12.6	0.9	17.9	1.0
Ownership of Dwellings	102.5	7.2	126.6	7.1
Other Services	23.8	1.7	27.7	1.6
Gross Domestic Product, at factor cost	1413.4	100.0	1770.7	100.0
Net Income from abroad	-228.5	-16.2	-299.3	-16.9
Gross National Product, at factor Cost	1185.0	83.8	1471.4	83.1
Less Depreciation	108.4	7.7	132.7	7.5
National Income	1076.6	76.1	1338.7	75.6
National Income (£L million)	384.5		478.1	

Table 3 (Contd.......)

Sectors	1967	Percent
Agriculture, forestry and fishing	84.8	4.0
Petroleum Mining	1136.8	53.3
Other Mining quarrying	3.6	0.2
Manufacturing	45.9	2.2
Construction	185.9	8.7
Electricity & Gass	5.3	0.2
Transport & Communication	87.4	4.1
Wholesale & retail Trade	137.2	6.4
Banking & Insurance	29.4	1.4
Public Admn. & Defence	151.8	7.1
Educational Services	57.1	2.7
Health Services	21.6	1.0
Ownership of Dwellings	155.1	7.3
Other Services	30.0	1.4
Gross Domestic Product at factor cost	2131.9	100.0
Net Income from abroad	-359.2	-16.9
Gross National Product, at factor cost	1772.7	83.9
Less Depreciation	164.1	7.7
National Income	1608.6	75.4
National Income (£L million)	574.5	

Sources: 1) Kingdom of Libya; Ministry of Planning and Development - Preliminary National Accounts of Libya 1962/1967 May 1969.

2) IBRD Mission Report, 1958.

Table 4

GROSS DOMESTIC PRODUCT AND NATIONAL INCOME

U.S.$ million At constant prices (1964)

Industrial Classification	1962	Per cent	1963	Percent
Agriculture, Forestry and Fishing	48.4	9.4	48.2	6.5
Petroleum Mining	144.2	28.1	324.5	44.0
Other Mining & Quarrying	2.0	0.4	2.0	0.3
Manufacturing	28.0	5.4	29.4	4.0
Construction	37.0	7.2	40.9	5.5
Electricity & Gas	3.4	0.7	3.4	0.5
Transport & Communications	29.4	5.7	35.3	4.8
Wholesale & Retail Trade	44.5	8.7	54.0	7.3
Banking and Insurance	5.3	1.1	8.7	1.2
Public Admn. & Defence	46.5	9.0	55.7	7.6
Educational Services	15.7	3.1	21.0	2.8
Health Services	6.4	1.3	7.8	1.1
Ownership of Dwellings	86.0	16.7	88.2	12.0
Other Services	16.5	3.2	17.9	2.4
Gross Domestic Product, at factor cost	513.5	100.0	737.0	100.0
Net Income from abroad	-19.6	- 3.8	-27.4	- 3.7
Gross National Product, at factor cost	493.9	96.2	709.5	96.3
Less: Depreciation	47.0	9.2	64.1	8.7
National Income	446.9	87.0	645.4	87.6
National Income (£L million)	159.6		230.5	

(Contd..........)

(Table 4 Contd.......)

Industrial Classification	1964	Percent	1965	Percent
Agriculture, Forestry & Fishing	45.6	4.3	63.8	4.8
Petroleum Mining	553.0	52.3	728.8	53.7
Other Mining & quarrying	2.2	0.2	2.5	0.2
Manufacturing	32.2	3.1	34.4	2.6
Construction	64.4	6.1	97.4	7.3
Electricity & Gas	3.6	0.3	3.9	0.3
Transport & Communications	42.0	4.0	49.3	3.7
Wholesale & retail trade	78.7	7.4	89.0	6.6
Banking and Insurance	14.6	1.4	18.5	1.4
Public Admn. & Defence	70.8	6.7	93.5	7.0
Educational Services	26.9	2.6	34.4	2.6
Health Services	9.5	0.9	11.8	0.9
Ownership of Dwellings	93.5	8.8	98.6	7.3
Other Services	19.9	1.9	22.4	1.6
Gross Domestic Product, at factor cost	1057.0	100.0	1337.3	100.0
Net Income from abroad	-216.4	-20.5	-219.0	-16.4
Gross National Product at factor cost	840.6	79.5	1118.3	83.6
Less: Depreciation	80.1	7.6	96.9	7.2
National Income	769.5	71.9	1021.4	76.4
National Income (£L Million)	271.6		364.8	

(Contd.........)

Table 4 (contd....)

Industrial Classification	1966	Percent	1967	per cent
Agriculture, Forestry and Fishing	60.8	3.9	60.2	3.4
Petroleum Mining	857.1	55.0	953.1	54.5
Other Mining & quarrying	2.5	0.2	2.8	0.2
Manufacturing	38.9	2.5	44.2	2.5
Construction	108.9	7.0	137.8	7.9
Electricity & Gas	4.5	0.3	4.8	0.3
Transport & Communications	60.2	3.9	71.1	4.1
Wholesale and Retail Trade	107.8	6.9	120.4	6.9
Banking and Insurance	21.6	1.4	24.1	1.4
Public Admn. & Defence	109.5	7.0	128.0	7.3
Educational Services	41.2	2.6	48.2	2.8
Health Services	15.7	1.0	18.2	1.8
Ownership of Dwellings	105.3	6.7	110.9	6.3
Other Services	24.4	1.6	25.2	1.4
Gross Domestic Product, at factor cost	1558.2	100.0	1748.9	100.0
Net Income from Abroad	-269.4	-17.3	-313.3	-17.9
Gross National Product, at factor cost	1288.8	82.7	1435.6	82.1
Less: Depreciation	107.8	6.3	124.0	7.1
National Income	1181.0	75.8	1311.5	75.0
(£L Million)	421.8		468.4	

Source: Kingdom of Libya, Ministry of Planning and Development - Preliminary National Accounts of Libya, 1962/1967, May 1969.

Table 5

AGRICULTURAL PRODUCTION

('000 Quintals)

	1960	1965	1966	1967
Wheat	339	569	578	622
Barley	1,164	960	991	1,100
Tomato	101	752	860	1,007
Potato	35	82	90	102
Onion	16	84	89	103
Citrus Fruits	68	133	144	152
Dates	317	N.A.	558	547
Groundnuts	79	109	120	133
Olive & Oil	327	1,014	929	1,366

Source:- Kingdom of Libya, Ministry of Planning & Development, Statistical Abstract, 1967.

Table 6

PRODUCTION AND EXPORTS OF CRUDE OIL

During	Companies included	Productions in U.S./BLS. '000	Exports in U.S./BLS. '000	Value of exports f.o.b. in £L. '000	Funds kept in £L. '000
1961	1	6,642	5,246	4,097	4,097
1962	2	66,543	65,453	46,984	46,984
1963	7	161,272	167,531	116,861	116,861
1964	9	313,796	313,878	216,400	213,861
1965	11	445,253	442,388	280,331	272,610
1966	14	550,504	547,027	350,657	331,573
1967	15	631,705	625,493	415,263	386,358
1968	16	948,890	947,421	665,449	594,440
Jan. 1969	17	88,246	82,230	57,610	48,552

Source:- Bank of Libya: Economic Bulletin, Jan.-Feb.,1969

Table 7

GROSS INDUSTRIAL OUTPUT IN LARGE ESTABLISHEMENTS

£L.('000)

	1964	1965	1966
Manufacture of Macaroni	608	755	1062
Canning of fruits & Vegetables	1082	1195	1620
Canning of fish	169	225	199
Manufacturing of grain mill production	843	902	1137
Manufacture of bakery products	39	97	496
Confectionery	363	452	439
Wines	224	191	249
Soft drinks	623	775	1245
Textiles	603	896	998
Basic chemicals	90	99	98
Olive Oil	354	321	309
Soap	190	479	740
Structural clay products	233	205	212
Cement Products	336	480	843

Source: Kingdom of Libya, Ministry of Planning and Development, Statistical Abstract, 1967.

Table 8

SECTORAL ALLOCATION OF DEVELOPMENT EXPENDITURE UNDER FIRST AND SECOND PLANS

	Appropriations under first Plan 1963- 64- 1968-69		Appropriations under Second Plan 1969-70 - 1973-74	
	£L . Million	Percent	£ L Million	Percent
1. Infrastructure				
i) Physical Infrastructure				
a) Public Works	78.7	16.4	177.4	15.4
b) Transport & Communications	92.3	19.2	162.5	14.1
c) Municipalities	60.2	12.5	101.8	8.9
ii) Human Capital				
d) Education	44.2	9.2	116.3	10.1
e) Public Health	17.4	3.6	56.0	4.9
	292.8	60.9	614.0	53.4
2. Productive Sectors				
a) Agriculture & Animal Wealth	49.9	10.4	150.0	13.1
b) Industry	11.6	2.4	40.6	3.5
c) Tourism & Archeology	4.1	0.9	14.9	1.3
d) Economy & Trade	0.4	0.1	1.5	0.1
	66.0	13.8	207.0	18.0
3. Sectors Serving Production and Social Services				
a) Civil Service	3.1	0.7	2.4	0.2
b) Labour & Social Affairs	5.0	1.0	22.4	2.0

(Contd........)

Table 8 (Contd.....)

	Appropriations under First Plan		Appropriations under Second Plan	
	1963-64 - 1968-69		1969-70 - 1973-74	
	£L Million	Percent	£L Million	Percent
c) Planning & Development	3.8	0.8	6.7	0.6
	11.9	2.5	31.5	2.8
4. Social Services Sectors				
a) Housing & Public Ownership	79.2	16.5	178.5	15.5
b) Youth & Sports	13.1	2.7	11.3	1.0
c) Information & culture	7.6	1.6	29.8	2.6
d) Interior	7.5	1.6	19.4	1.7
	107.4	22.4	239.0	20.8
Total of All Sectors	478.1[1]	99.6	1091.5	95.0
Project Reserve	2.1[2]	0.4	58.0	5.0
Total Development Appropriations	480.2	100.0	1149.5	100.0

* Rounded to the nearest £ 0.1 million.

1/ It is expected that by the end of March 1969, actual expenditure under the First Plan would have ranged between 85 per cent and 90 per cent of appropriations.

2/ This figure represents balance in July 1968 of the project reserve account for which £ L 2.5 million was appropriated for 1968-69. During five years 1963-64 - 1967-68 about £ L 12 million of the project reserve was allocated to various sectors and these allocations have already been included in the figures shown in the table.

Source:- Kingdom of Libya, Ministry of Planning & Development - Second Five Year Plan.(unpublished)

Table 9

PRODUCTION STATISTICS AND PROJECTIONS

ISIC CODE	Item	Unit	1964	1968	1973
20	**Food Products**				
	Bottled milk	'000 Liters	-	3,600	35,000
	Other dairy Products	"	-	30	150
	Peeled tomatoes	Tonnes	-	500	2,000
	Tomato paste	"	6,194	1,000	15,000
	Chili paste	"	87	230	300
	Other preserved Vegetables	"	-	20	350
	packed dates	"	420	700	1,000
	James, Jellies	"	106	220	600
	Juices	"	-	-	1,000
	Squashes	"	-	50	400
	Date syrup	"	55	100	500
	Canned fish	"	689	250	2,000
	Grain mill products	"	20,368	31,000	125,000
	Biscuits	"	79	3,000	5,100
	Candies	"	937	1,300	2,000
	Oriental sweets	"	572	1,700	2,500
	Macaroni	"	15,584	26,100	32,000
	Animal fodder	"	-	-	20,000
21.	**Beverages**				
	Mineral water	'000 Literes	1,600	4,000	8,500
	Other soft drinks	"	8,485	19,000	28,000
	Bear	"	2,622	4,800	7,500
	Wine	"	1,247	860	1,500
	Spirits	"	410	650	600

(contd........)

Table 9 (Contd...)

ISIC CODE	Item	Unit	1964	1968	1973
22	Tobacco Product				
	Cigarettes	Million pieces	855	1,350	2,120
23	Textiles				
	Spinning, weaving, etc.	'000£L	663	1,400	2,400
	Other	'000£L	31	50	80
24	Footwear				
	Leather shoes	'000 pairs	50	50	250
25	Wood Manufactures				
	Lumber	M^3	-	-	100,000
	Plywood	"	-	-	5,000
	Wooden building materials	'000 £L	368	700	1,500
	Various boards	Tons	-	-	8,000
26	Furniture, etc.				
	Mattresses	Number	15,000	70,000	120,000
	Furniture	'000 £L	134	450	1,100
27.	Paper and Products				
	Wrapping paper(crude)	tons	2,661	4,500	5,000
	Corrugated paper boxes	"	200[1]	200	7,000
	Multi-wall bags	"	-	-	3,000
	Exercise & Blank-books	"	-	-	1,000
28.	Printing	'000 £L	768	1,050	1,600
29.	Leather & Products	'000 £L	50[1]	65	250
30	Rubber products				
	Recapped tires	Number	-	8,000	40,000

(contd......)

Table 9 (contd......)

ISIC CODE	Item	Unit	1964	1968	1973
31.	Chemicals				
	Liquefied natural gas	Billion cu.feet	-	-	115
	Liquefied petroleum gas	Tons	-	-	20,000
	Recovered sulphur	"	-	-	25,800
	Ammonia	"	-	-	350,000
	Organic fertilizers	"	-	3,000	25,000
	Oxygen	Cu.meters	170,000	200,000	250,000
	Acetylene	"	50,000	52,000	60,000
	Nitrogen	"	1,900	6,000	10,000
	Refined olive oil	Tons	-	2,500	9,000
	Paints and Varnishes	"	172	4,000	7,000
	Laundry soap	"	800	600	900
	Toilet soap	"	-1/	200	1,500
	Detergents	"	900	5,200	8,000
	Wooden matches	'000 boxes	14,256	20,000	20,000
	Wax matches	"	-	-	16,000
	Drilling mud	'000£L	-	1,900	2,000
	Other	"	-	280	600
32	Petroleum products				
	Derivetives	'000 tons	-	380	1,800
	Lubricating oils	"	-	-	8
	Bituminous products	"	-	-	20
33	Non-metallic mineral products				
	Hollow glass	Tons	-	-	4,200
	Mirrors	"	-	20	40
	Cement	"	-1/	-	800,000
	Lime	"	12,000	10,000	65,000
	Plaster(gypsum)	"	-	2,000	8,000
	Plaster Penels	"	-1/	1,000	6,000
	Cement blocks	'000 units	77,000	13,800	18,000
	Cement tiles	'000 sq.mt.	1/ 680	1,200	2,076

(Contd......)

Table 9 (Contd.....)

SITC CODE	Item	Unit	1964	1968	1973
	Cement Pipe	Number	16,000	40,000	170,000
	Precast concrete elements	Tons	-	-	200,000
	Ready-mixed concrete	Cu. meters	-	-	40,000
	Asbestos cement	Tons	- 1/	-	15,000
	Structural clay	"	25,000	28,000	190,000
	Marble slabs-raw	Sq. meters	-	16,200	150,000
	Marble slabs-finished	"	-	122,000	171,000
34	Basic Metal Industries				
	Reinforcing rods	Tons	-	3,000	10,000
35	Metal Products				
	Cans, caps, etc.	'000 £L	-	-	600
	Other metal products	"	433	1,400	2,500
36	Machinery (except electrical)	"	69	100	150
37	Electrical Machinery, etc.				
	Accumulators	Number	-	4,000	10,000
	Repair	'000 £L	1,997	2,400	2,900
38	Transport Equipment				
	Repair of motor vehicles	'000 £L	1,503 2/	2,400	3,500
39	Miscellaneous	"	30	45	90

1/ Estimate

2/ Revised figure.

Source: Kingdom of Libya: Ministry of Planning and Development: Manufacturing sector, Tentative Development Programme 1969-1973, Vol. I

Table 10

BALANCE OF PAYMENTS OF LIBYA

(Millions of Libyan Pounds)

Year	Goods & Servi-ces	Trade Balance c.i.f.	Invest-ment Income	Central Govt. n.i.e.	Other	Transfers	
						Private	Central Govt.
1961	-11.1	-46.8	68.5	4.7	-37.5	-0.9	10.8
1962	-14.2	-23.4	48.4	1.7	-40.9	-5.5	10.9
1963	- 4.2	34.0	-0.8	0.5	-37.9	-5.6	10.4
1964	- 6.5	116 .3	-71.3	-0.2	-51.3	-7.5	6.2
1965	38.9	169.4	-67.3	1.9	-65.1	-7.7	2.3
1966	49.3	211.8	-81.33	-5.2	-76.0	-13.4	-
1967	63.2	248.2	-97.6	-7.8	-79.6	-14.6	-27.6

(Contd...........)

Table 10 (contd......)

(Million of Libyan Pounds)

Year	Capital n.i.e.@		Deposite Money Bank		Monetary Authorities	Net Errors & Omissions
	Private	Central Govt.	Assets	Libilities		
1961	-1.4	1.1	-0.7	-0.2	-1.8	4.2
1962	0.8	-0.2	0.6	0.5	-2.3	9.4
1963	6.6	-0.1	-0.5	0.2	-9.2	2.2
1964	18.7	-0.5	0.5	-0.6	-17.9	7.6
1965	-10.3	-0.3	-0.6	-0.1	-26.4	4.2
1966	-9.9	-0.7	0.4	-0.1	-32.7	7.1
1967	4.7	-0.4	-0.9	3.0	-16.4	-11.0

@ Entries for 1961-62 mainly represent excess of expenditures over receipts of foreign-owned oil companies which are treated as Libyan residents; this excess has been included in investment income as a negative debit (i.e., with a positive sign) and no entry for increases in direct investment liabilities has been made in capital account.

Source: IMF: International Financial Statistics, March 1969.

Table 11

BALANCE OF PAYMENTS FOR 1966,1967,AND TARGET FOR 1973

(£L Million)

	1966	1967	1973 target	Cummulative total 1969-73
Current Account				
Exports of Merchandise(FOB)	357.4	420.0	972.0	4235.0
Less imports of Merchandise (CIF)	146.0	171.4	406.9	1832.0
A= Balance of Merchandise	211.4	248.6	565.1	2403.0
Export of Services	2.9	3.4	13.0	45.0
Expenditure on non-residents	12.4	10.5	16.6	71.7
Less: Imports of Services	50.7	51.6	69.0	314.1
Export of residents abroad	26.1	29.3	67.8	261.5
B= Balance of Invisibles	-61.5	-67.0	-107.2	-458.9
C= Balance of goods & services(A+B)	149.9	181.6	457.9	1944.1
Plus Income Payments from abroad	5.6	8.5	41.0	129.6
Less Income Payments to abroad	112,5	136.8	354.2	1487.0
D= Balance of goods & services & Income Payments	43.0	+53.3	144.7	-586.7
Plus : Net current transfers from abroad	- 5.5	-33.0	-39.5	-191.5
Balance of current Transactions	37.5	20.3	105.2	395.2
Capital Account				
Net Capital Transfers from abroad	-13.2	6.7	10.0	36,0
Less: Net lending to abroad	24.3	27.0	115.2	431.2
Balance of Capital Transactions	-37.5	-20.3	-105.2	-395.2

Note: Figures in this may not tally with those given in table 10, because of difference in the source of data .

Source: Kingdom of Libya, Ministry of Planning and Development, Second Five Year Plan 1969-73 (unpublished)

Table 12

IMPORTS CLASSIFIED ACCORDING TO BROAD ECONOMIC CATEGORIES

Sl. No.	Category	1962	1963	1964	1965	1966	1967
1.	Non-durable Consumer goods.	14.0	17.3	24.1	28.4	43.2	53.1
2.	Durable Consumer Goods	7.1	8.3	10.1	14.6	19.7	20.2
3.	Non-durable Producer Goods (raw-materials)	25.8	30.3	33.9	36.2	36.2	43.9
4.	Producer Goods	26.5	29.4	36.4	35.2	45.6	52.9
	TOTAL IMPORTS	73.4	85.3	104.4	114.4	144.7	170.1

Source: 1. Kingdom of Libya, Ministry of Economy & Trade External Trade Statistics, 1966.

2. Bank of Libya: 12th Annual Report of the Board of Directors, 1967-68.

Table 13

IMPORTS BY PETROLEUM PROSPECTING COMPANIES DURING 1964-1966

COMMODITY CLASSIFICATION

(Value in '000 £L)

Commodity Section *		1964	1965	1966
CODE	Description			
0	Food and live animal	39	2	3
1	Beverages and tobacco	1	Neg.	Neg.
2.	Crude materials inedible except fuels	88	239	42
3	Mineral fuels, lubricants and related materials	181	39	71
4	Animal and Vegetable oils & fats	Neg	Neg.	Neg.
5	Chemicals	1,471	1,463	837
6	Manufactured goods classified chiefly by materials	9,437	7,543	4,599
7	Machinery and transport equipment	15,988	11,369	7,505
8	Miscellaneous manufactured articles	943	1,192	1,077
9	Commodities and transactions not classified according to kinds.	Neg.	Neg.	Neg.
	TOTAL	14,134	21,848	28,148

The Commodity Sections are according to the Revised standard International Trade Classification.

Source: Kingdom of Libya, Ministry of Economy & Trade Census and Statistical Dept., External Trade Statistics, 1966.

Table 14

IMPORTS BY COMMODITY GROUPS

(In million U.S. $)

	1962	1963	1965	1966	1967	1968
1	2	3	4	5	6	7
1. Food and Live Animals	21 (10.2)	28 (11.7)	41 (12.8)	55 (13.6)	74 (15.6)	77 (12.0)
2. Beverages & Tobacco	2 (1.0)	2 (0.8)	3 (0.9)	4 (1.0)	5 (1.1)	6 (1.0)
3. Crude Materials & Fuels	4 (1.9)	4 (1.7)	7 (2.2	11 (2.7)	11 (2.3)	15 (2.4)
4. Mineral Fuels, etc.	8 (3.9)	9 (3.8)	13 (4.1)	16 (4.0)	16 (3.4	19 (2.9)
5. Animal, vegetable oils, fats, etc.	- -	2 (0.8)	Negl. -	4 (1.0)	8 (1.7)	5 (0.8)
6. Chemicals	14 (6.8)	16 (6.7)	18 (5.6)	19 (4.9)	21 (4.4)	33 (5.2)
7. Basic Manufactures	55 (26.7)	62 (25.9)	82 (25.6)	92 (22.7)	115 (24.2)	176 (27.3)
8. Machinery & Transport Equipment	82 (39.8)	92 (38.5)	116 (36.3)	153 (37.8)	170 (35.7)	226 (35.0)
9. Miscellaneous manufactured goods	20 (9.7)	24 (10.0)	40 (12.5)	51 (12.6)	56 (11.8)	88 (13.4)

Source: Kingdom of Libya, Ministry of Economy and Trade, External Trade Statistics.

Note: Figures in brackets are percentage to totals.

Table 15

COUNTRY-WISE IMPORTS

(Percentage shares)

Major supplying countries	1963	1964	1965	1966	1967	1968
1. Italy	20.5	20.1	25.3	27.6	28.7	24.7
2. U.S.A.	19.9	23.2	17.1	12.5	12.6	16.8
3. U.K.	17.8	17.7	14.8	15.3	10.9	11.5
4. W.Germany	12.6	11.0	10.2	10.3	7.8	8.3
5. Holland	3.4	3.1	2.9	2.9	4.2	5.4
6. France	4.4	4.5	5.2	4.9	6.1	5.0
7. Japan	3.0	2.9	3.7	3.1	4.0	3.7
8. Lebanon	0.35	0.41	1.2	2.5	1.9	2.3
(Total 1 through 8)	82.0	82.9	80.4	79.3	76.2	77.4
Other Commodities	18.0	17.1	19.6	20.7	23.8	22.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Kingdom of Libya, Ministry of Economy and Trade, External Trade Statistics.

Table 16

IMPORTS FROM SELECTED COUNTRIES 1961-68

(In US $ '000)

Countries	1961	1966	1967	1968
Soviet Russia	1517.6	3634.4	3222.8	4625.6
Yugoslavia	1274.0	3824.8	7277.2	7980.0
Poland	249.2	3959.2	6507.2	8195.6
Romania	378.0	4659.2	6820.8	9007.6
Hungary	627.2	2254.0	3665.2	3956.4
People's Republic of China	-	7912.8	10096.8	12297.6
Czechoslovakia	1103.2	3886.4	4006.8	5350.6
Bulgaria	369.6	3673.6	8584.8	8360.8
Greece	809.2	4544.4	4720.8	6361.6
China(Taiwan)	652.4	2696.4	1408.4	1565.2
Hong Kong	879.2	2539.6	3494.4	6370.0
India	893.2	1206.8	988.4	2189.6

Source: External Trade Statistics, Kingdom of Libya, Ministry of Economy and Trade.

Table 17

EXPORTS 1960-1968

(Value in U.S. million $)

Year	Oil	Products other than oil	Total
1960	-	11	11
1961	11	11	22
1962	132	9	141
1963	327	8	335
1964	606	15	621
1965	785	13	798
1966	982	12	994
1967	1,163	11	1,174
1968	1,868	8	1,876

Source: Kingdom of Libya, Ministry of Economy and Trade: External Trade Statistics.

Table 18

EXPORTS BY COUNTRIES OF DESTINATION

(In percentage)

Country of Destination	1963	1964	1965	1966	1967	1968
1. W. Germany	25.2	33.6	37.5	33.5	23.4	26.4
2. U.K.	28.2	22.3	20.6	14.6	12.6	18.6
3. Italy	14.7	12.3	9.8	11.4	20.4	19.8
4. France	12.1	5.6	9.3	11.6	12.2	7.6
5. Holland	7.9	8.7	7.8	10.1	9.4	7.6
6. U.S.A.	5.2	4.3	3.2	5.4	2.8	5.8
7. Belgium	3.8	3.1	2.8	4.1	5.6	3.4
8. Others	2.9	10.1	8.7	9.3	13.6	10.8
	100.0	100.0	100.0	100.0	100.0	100.0

Source: Kingdom of Libya, Ministry of Economy and Trade, External Trade Statistics.

Table 19

INDIA'S TRADE WITH LIBYA

(Value in '000 US $)

Year 1	Exports to Libya 2	Imports from Libya 3	Trade Surplus 4
1961-62	806	Neg.	+ 806
1962-63	771	"	+ 771
1963-64	1,281	"	+1,282
1964-65	1,263	"	+1,260
1965-66	1,302	"	+1,302
1966-67	938	"	938
1967-68	1,500	"	+1,500
1968-69	1,930	"	+1,930

Source: Government of India: Monthly Statistics of Foreign Trade of India.

Table 20

INDIA'S SHARE IN IMPORTS : 1961-68

(In million U.S. $)

Calender Year	Total Imports into Libya (c.i.f.)	Imports from India(c.i.f)	Percentage share of India in total imports
1961	149	0.893	0.60
1962	206	0.784	0.38
1963	239	1.019	0.43
1964	292	1.263	0.43
1965	320	1.492	0.47
1966	405	1.207	0.30
1967	476	0.988	0.21
1968	644	2.187	0.34

Source: Kingdom of Libya, Ministry of Economy and Trade, Census and Statistical Department: External Trade Statistics.

Table 21

INDIA'S EXPORTS TO LIBYA

(In '000 U.S. $)

SITC DIVISION NO.	Item	1964-65	1965-66	1966-67	1967-68	1968-69
0	Food & Live Animals	133	173	120	202	70
1	Beverages & Tobacco	148	191	69	258	-
2	Crude materials inedible except fuel (Mica-49)	55	21	10	11	9
3	Mineral fuels	Nil	Nil	Nil	Nil	-
4	Animal and Vegetable oils & fats. (groundnut oil)	92	Neg.	Neg.	Neg.	-
5	Chemicals	Nil	1	1	7	4
6	Manufactured goods	585	416	238	375	486
7	Machinery & transport equipment	75	100	69	143	140
8	Miscellaneous manufactured articles	108	315	390	472	1205
9	Commodities & transaction not classified according to kind	34	83	27	32	16
	Total of Exports	1263	1302	938	1500	1930

Source: Government of India: Monthly Statistics of Foreign Trade of India.

Table 22

EXPORTS OF SELECTED COMMODITIES FROM INDIA TO LIBYA

('000 U.S.$

Sl. No.	Commodity	1965-66	1966-67	1967-68	1968-69
1.	Wool Cardigan and sweater	140	215	304	927
2.	Tobacco-Virginia,Flue-cured	196	69	259	-
3.	Turmeric	163	110	196	68
4.	Jute sacking bags	15	13	97	4
5.	Jute corn sacks	-	-	92	-
6.	Internal Combustion Engines & parts (other than for aircraft).	38	31	54	59
7.	Coir yarn	24	21	46	15
8.	Tarpaulins,tents, etc.	24	53	43	54
9.	Leather footwear, exluding embroidered	15	21	31	69
10.	Artware of copper brass or bronze,etc.	35	48	24	53
11.	Sewing machine complete with stand	19	23	23	14
12.	Shirting carded yarn piece dyed	9	9	21	0
13.	Parts of diesel engine-stationery	0.6	5	16	8
14.	Other garments of wool for man	-	7	15	7
15.	Golden Jewellary set with precious stones	-	-	14	-
16.	Parts of diesel engine-marine	-	-	10	9
17.	Flash light battery	2	2.5	10	-
18.	Cotton shawls,scrafs,etc.	-	8.4	9	7
19.	Other dry cell primary batteries	2	1.6	8	29
20.	Hanna leaves & powder	1.5	5.0	8	1
21.	Towles Mill made	7	1.1	7	2
22.	Hoses n.e.s. of vulcanised rubber	4	1.3	7	3
23.	Woodwork of Art, n.e.s.	9	10.4	7	14

(contd......)

Table 22(contd....)

Sl. No.	Commodity	1965-66	1966-67	1967-68	1968-69
24.	Other Hessian cloth	11	5.9	6	9
25.	Wrist Watches	-	1.0	6	-
26.	Cotton fabrics, unspecified description mill made	-	-	6	0.2
27.	Cotton yarn, single carded and single combed	23	6	6	9
28.	Bicycle parts, other	-	-	6	6
29.	Gold jewellery, unset	-	-	5	0.3
30.	Silver manufacturing, n.e.s	-	-	5	6
31.	Silver filigry work	0.6	1.0	4	2
32.	Brass utensils	0.9	-	-	2.4
33.	Cotton yarn, dyed single carded	9.0	1.6	3	2
34.	Wool outer garments, other	19.1	18	3	54
35.	Table fan	4.4	-	3	-
36.	Football, Rugby ball etc.	1.4	3	3	2
37.	Rubber soled upper leatherfootwear	5.5	2	3	11
38.	Ivory manufactures n.e.s., artware	1.5	1	3	5
39.	Oil pressure stove of copper alloy	18	1.6	3	91
40.	Cotton yarn-unspecified description	0.6	-	3	5
41.	Cotton yearn-drill & yarn dyed	15	-	3	-
42.	Spices-Cassia	-	-	3	-
43.	Other furniture of Iron & steel & parts	0.4	0.2	3	0.3
44.	Drain cover, etc., Iron & steel	-	8.7	3	0.5
45.	E.P.N.S. Ware	4	5.6	3	3
	Total of above items	815	710	1387	1551.7
	Others	487	228	113	378.2
	Total Exports	1304	938	1500	1929.9
	Percentage share of 45 items in total exports	62.6	75.7	92.4	80.4

Sources: Government of India: Monthly Statistics of Foreign Trade of India.

Table 23

IMPORTS OF SELECTED COMMODITIES BY COUNTRIES OF ORIGIN

(Value in '000 US $)

Products/countries	1965	1966	1967	1968
1. Tea and Mate	5322.8	4942.0	5698.0	7946.4
Ceylon	3679.2	2646.0	3407.6	4841.2
China National	554.4	560.0	406.0	672.0
China P.R.	812.0	1537.2	1635.2	2094.4
U.K.	84.0	75.6	100.8	145.6
India	8.4	16.8	2.24	58.8
India's share %	0.15	0.34	0.04	0.75
2. Spices				
Pepper and Pemcinto	53.2	56.0	103.6	89.6
Singapore	16.8	33.6	42.0	22.4
Tunisia	2.8	-	28.0	30.8
India	5.6	5.6	11.2	1.68
India's share %	10.52	10.00	10.81	1.9
3. Cinnamon & Cinnamon (tree flowers)	58.8	42.0	25.2	47.6
Madgascar	-	19.6	11.2	18.76
Singapore	16.8	-	1.68	9.80
India	2.8	-	1.68	8.4
India's share %	4.7	-	6.6	17.6
4. Nutmeg Mace & Cardaman	39.2	42.0	25.2	70.0
China National	-	-	5.6	0.84
Morocco	1.12	-	8.4	-
Singapore	5.6	5.6	5.6	25.76
India	1.12	36.4	1.68	15.68
India's share %	2.8	86.66	6.66	22.4

(Contd......)

Table 23 (Contd.....)

Products/countries	1965	1966	1967	1968
5. Seeds of Anis etc.	81.2	103.6	123.2	156.8
China P.R.	5.6	5.6	5.6	6.72
Lebanon	Neg.	11.2	39.2	17.36
Tunisia	42.0	56.0	58.8	78.4
India	8.4	5.6	1.40	6.44
India's share %	10.34	5.40	1.13	4.1
6. Thyme saffron etc.	327.6	176.4	207.2	277.2
Italy	28.0	22.4	11.2	19.6
Singapore	14.0	8.4	14.0	44.8
Tunisia	8.4	8.4	11.2	6.72
India	182.0	100.8	112.0	142.8
India's share %	55.55	57.14	54.05	51.5
7. Tobacco Unmanufactured	375.0	949.2	1710.8	1738.8
Turkey	86.8	-	238.0	89.6
U.K.	16.8	691.6	1159.6	1131.2
U.S.	42.0	92.4	128.8	128.8
India	230.6	78.4	39.2	268.2
India's share %	61.49	8.25	2.29	15.5
8. Cotton Yarn & Thread not for retail sale.	39.2	44.8	19.6	15.96
Italy	28.0	28.0	8.4	8.4
Pakistan	-	-	2.8	2.8
India	8.4	8.4	5.6	-
India's share %	21.42	18.75	28.57	-
9. Cotton Yarn & Thread Bleached etc. not for retail sale	120.4	92.4	61.0	39.2
Italy	78.4	86.6	33.6	22.4
India	28.0	5.6	-	4.76
India's share %	23.25	6.06	-	12.14

(Contd....)

Table 23 (contd....)

Products/countries	1965	1966	1967	1968
10. Cotton Yarn etc.put up for retail sale	204.4	156.8	134.4	224.0
China P.R.	2.8	14.0	8.4	6.3
Italy	148.4	95.2	95.2	176.4
U.S.S.R.	1.40	8.4	8.4	11.76
India	16.8	5.6	-	6.44
India's share %	8.21	3.57	-	2.9
11. Textile Fibre Yarn Spun with Metal	112.0	103.6	145.6	291.2
France	50.4	42.0	42.0	47.6
Germany West	44.8	42.0	42.0	70.0
Italy	16.8	19.6	53.2	154.0
India	0.28	-	0.28	-
India's share %	0.25	-	.19	-
12. Terry Fabrics of Cotton Dyed etc.	5.6	1.68	14.0	65.2
Czechoslovakia	-	-	2.8	-
Holland	-	-	0.84	-
Japan	1.68	-	0.84	-
India	0.84	-	-	26.6
India's share %	15.00	-	-	40.8
13. Other Cotton Fabrics Woven Dyed etc.	3906.0	3704.4	4088.0	5415.2
China National	187.6	128.8	36.4	30.8
China P.R.	618.8	624.4	834.4	778.4
Czechoslovakia	386.4	523.6	422.8	571.2
Hungary	117.6	44.6	22.4	100.8
Poland	386.4	406.0	705.6	901.6
India	114.8	50.4	25.2	42.0
India's share %	2.92	1.36	0.61	.77

(contd.....)

Table 23 (Contd.....)

Products/countries	1965	1966	1967	1968
14. **Silk Fabrics Woven**	30.8	28.0	40	72.8
China National	-	1.40	-	5.04
France	1.40	5.6	2.8	5.6
Italy	19.6	11.2	17.3	28.0
India	0.225	0.56	0.9	0.224
India's share %	0.73	2.00	2.2	0.30
15. **Jute Fabrics Woven**	14.0	0.84	14.0	8.4
U.K.	0.56	-	-	5.6
India	8.4	-	2.24	-
India's share %	60.00	-	16.00	-
16. **Fabrics Woven of Cotton Synthetic Fabrics**	1176.0	1010.8	392.0	238.0
China National	198.8	134.4	25.2	-
China P.R.	179.2	151.2	106.4	22.4
Italy	67.2	67.2	50.4	36.4
Japan	464.8	420.0	86.8	100.8
Poland	64.4	1.40	22.4	-
U.S.	58.8	33.6	11.2	1.68
India	30.8	14.0	-	1.40
India's share %	2.61	1.38	-	0.58
17. **Fabrics Woven of Discontinuous Synthetic Fabrics**	33.6	5.6	2167.2	2626.4
China P.R.	1.68	-	333.2	308.0
Italy	5.6	Neg.	154.0	232.4
Japan	5.6	5.6	1027.6	1055.6
U.S.	-	-	72.8	940.8
India	-	-	14.0	5.6
India's share %	-	-	0.64	0.21

(Contd........)

Table 23 (Contd....)

Product/countries	1965	1966	1967	1968
18. Discont.Woven Fabrics Regenerated Fibres	3105.2	2150.4	2696.4	3533.6
China National	198.8	112.0	33.6	19.6
China P.R.	453.6	182.0	590.8	534.8
Italy	305.2	193.2	137.2	243.6
Japan	1125.6	882.0	1033.2	478.0
Poland	448.0	240.8	352.8	478.0
India	11.2	14.0	-	14.0
India's share%	0.36	0.65	-	0.4
19. Trimmings Tannes etc.	70.0	58.8	50.4	106.4
Austria	16.8	16.8	14.0	-
Italy	28.0	19.6	16.8	42.0
Japan	19.6	11.2	11.2	42.0
India	-	-	0.084	-
India's share %	-	-	0.16	-
20. Oil Coated Textile Fabrics	5.6	16.8	39.2	86.8
U.K.	2.8	1.40	0.84	5.6
Japan	-	-	14.0	33.6
India	-	2.8	1.40	-
India's share %	-	16.66	3.6	-
21. Cordage Cable Rope etc.	464.8	495.6	557.2	719.6
Germany West	19.6	8.4	2.8	50.4
Holland	28.0	134.4	232.4	218.4
Italy	95.2	64.4	53.2	78.4
Spain	78.4	44.8	25.2	16.8
U.K.	53.2	67.2	95.2	145.6
U.S.	22.4	19.6	72.8	44.8
India	36.4	11.2	25.2	5.6
India's share %	7.83	2.25	4.52	0.77

(contd.......)

Table 23 (Contd......)

Product/countries	1965	1966	1967	1968
22. Textile Fabrics Wicks Gas Mantle Fabrics, etc.	22.4	25.2	56.0	53.2
Italy	11.2	5.6	2.8	0.28
U.K.	2.24	2.52	39.2	2. 52
India	-	0.84	1.12	16.8
India's share %	-	3.33	2.00	31.7
23. Bags etc. of Textile Materials	148.4	98.0	23.4	173.6
Italy	19.6	16.8	3.0	30.8
Malta	5.6	11.2	1.6	5.6
U.K.	36.8	30.8	12.3	56.0
India	16.8	1.12	3.4	-
India's share %	11.32	1.14	14.3	5.6
24. Tarnaulins Tents Soils etc. & Canvas Goods	120.4	322.0	221.2	375.2
Italy	8.4	36.4	58.8	44.8
Malta	5.6	2.8	5.6	14.0
U.A.R. Egypt	8.4	-	11.2	5.6
U.K.	36.4	75.6	58.8	92.4
India	25.2	39.2	36.4	42.0
India's share %	20.93	12 16	16.45	11.2
25. Rugs of Cotton	310.8	145.6	145.6	316.4
China National	5.6	11.4	2.8	1.96
China P.R.	14.0	30.8	28.0	30.8
Italy	238.0	75.6	44.8	84.0
U.K.	1.12	2.8	5.6	8.4
India	-	-	-	-
26. Linen Furnishing Articles of Textile Fabrics	1134.0	1103.2	1218.0	2128.0
China National	53.2	84.0	33.6	33.6
China P.R.	3333.2	338.8	534.8	812.0

(contd......)

Table 23 (Contd....)

Products/countries	1965	1966	1967	1968
26. Holland	11.2	5.6	16.8	5.6
Italy	324.8	192.2	310.8	537.6
Japan	100.8	84.0	72.8	106.4
Poland	42.0	30.8	33.6	117.6
U.K.	35.2	33.6	19.6	38.64
U.S.	86.8	50.4	28.0	114.8
India	8.4	14.0	1.40	16.8
India's share %	0.74	1.26	0.11	0.78
27. Linoleum ana Similar Floor Covering	19.6	25.2	47.6	25.2
Germany West	0.56	0.28	1.68	0.56
U.K.	8.4	2.8	8.4	0.84
Holland	5.6	8.4	30.8	0.28
28. Knitted Carpets etc.	260.4	310.8	394.8	282.8
Belgium	14.0	11.2	78.4	16.8
Iran	22.4	42.6	30.8	33.6
Italy	33.6	14.6	8.4	70.0
Lebanon	36.4	53.2	67.2	36.4
U.K.	64.4	67.2	70.0	47.6
India	5.6	5.6	0.168	0.84
India's share %	2.15	1.80	0.04	0.3
29. Other Carpets etc.	1078.0	1206.8	1279.6	1979.6
Belgium	450.8	473.2	529.2	669.2
Germany West	30.8	25.2	39.2	44.8
Italy	364.0	333.2	364.0	562.8
U.K.	126.0	224.0	193.2	39.2
India	5.6	8.4	-	0.84
India's share %	0.51	0.69	-	0.04

(Contd........)

Table 23 (Contd.....)

Products/countries	1965	1966	1967	1968
30. Tapestries	70.0	81.2	44.8	42.0
Germany West	-	-	-	-
Holland	-	-	0.56	-
India	-	-	-	-
31. Mats Screens etc. of vegetable Plaitings, etc.	280.0	288.4	380.8	638.4
China National	42.0	114.8	75.6	120.4
Italy	8.4	2.8	8.4	5.6
U.A.R. Egypt	193.2	126.0	176.4	128.8
India	0.28	0.84	0.84	8.4
India's share %	0.10	0.29	0.22	1.3
32. Agriculture Hand Tools	128.8	145.6	170.8	204.4
China P.R.	-	2.8	11.2	2.8
Germany West	16.8	19.6	19.6	19.6
Italy	39.2	53.2	50.4	58.8
U.K.	19.6	8.4	16.8	2.8
U.S.	8.4	5.6	28.0	23.24
India	-	-	-	-
33. Saw Blades & Hand Saws	70.0	126.0	128.8	232.4
Bulgaria	Neg.	-	8.4	0.56
Germany West	19.6	33.6	25.2	61.6
Italy	14.0	47.6	44.8	64.4
U.K.	11.2	11.2	8.4	19.6
U.S.	5.6	5.6	8.4	22.4

(Contd.......)

Table 23 (contd...)

Products/countries	1965	1966	1967	1968
34. Pliers pincers,Etc.	476.0	565.6	669.2	1080.8
Germany West	137.2	173.6	193.2	302.4
Holland	28.0	11.2	25.2	64.4
Italy	42.0	92.4	173.6	131.6
U.K.	64.4	78.4	98.0	100.8
U.S.	168.0	137.2	84.0	336.0
India	0.56	-	0.028	-
India's share %	0.11		0.003	
35. Hand Tools etc., N.E.S.	422.8	518.0	543.2	691.6
France	2.8	11.2	19.6	14.0
Germany West	78.4	117.6	81.2	173.6
Italy	92.4	142.8	134.4	159.6
Japan	14.0	22.4	25.2	36.4
U.K.	33.6	28.0	78.4	56.0
U.S.	162.4	151.2	134.4	184.8
36. Metal Working Tools	224.0	478.8	425.6	299.6
Germany West	16.8	25.2	53.2	53.2
Italy	148.4	383.6	254.8	170.8
U.K.	5.6	2.8	19.6	25.2
U.S.	14.0	2.8	16.8	5.6
37. Gas Operated Welding Cutting etc. Appliances	103.6	124.4	140.0	232.4
Germany West	11.2	5.6	14.0	33.6
Italy	14.0	30.8	28.0	44.8
U.S.	53.2	19.6	50.4	109.2

(contd.....)

Table. 23 (Contd......)

Products/countries	1965	1966	1967	1968
38. Sewing Machines	456.4	414.4	285.6	478.8
Germany West	58.8	25.2	16.8	25.2
Italy	61.6	75.6	42.0	84.0
Japan	218.4	187.6	126.6	154.0
U.K.	72.8	56.0	25.2	19.6
India	28.0	16.8	28.0	22.4
India's Share %	6.13	4.05	9.80	4.7
39. Rubber or Plastic Materials, Footwear	722.4	1108.8	935.2	1279.6
Czechoslovakia	47.6	47.6	42.0	70.0
Hong Kong	182.0	179.2	266.6	327.6
Hungary	53.2	42.0	25.2	36.4
Italy	137.2	179.2	212.8	288.4
Japan	140.0	190.0	201.6	229.6
India	8.4	8.4	1.40	39.2
India's share %	1.16	0.75	0.14	3.1
40. Leather Footwear	1811.6	2049.6	2640.4	3455.2
Czechslovakia	70.0	67.2	56.0	6.44
France	42.0	58.8	114.8	112.0
Italy	1299.2	1397.2	1859.2	2382.8
Romania	36.4	42.0	126.0	61.6
U.K.	53.2	145.6	92.4	154.0
U.S.	100.8	123.2	89.6	173.6
India	6.56	1.12	8.4	-
India's share %	0.35	0.05	0.31	-

(contd.........)

Table 23 (contd.....)

Products/countries	1965	1966	1967	1968
41. Other Materials Footwear	1668.8	2156.0	2102.8	3824.8
China P.R.	56.6	81.2	120.4	117.6
Czechoslovakia	246.4	313.6	305.2	523.6
Italy	733.6	977.2	999.6	1422.4
Japan	134.4	196.0	100.8	327.6
Romania	75.6	299.6	224.0	602.0
Yugoslavia	1.68	19.6	58.8	25.2
India	19.6	22.4	19.6	44.8
India's share %	1.17	1.03	0.92	1.2
42. Switchgear etc.	1088.8	2396.8	2707.6	2772.0
Belgium	0.56	204.4	75.6	28.0
France	0.56	164.0	131.6	25.2
Germany West	25.2	58.8	134.4	154.0
Italy	352.8	926.8	1094.8	1251.6
U.S.	291.2	366.8	193.2	378.0
India	-	0.084	-	722.4
India's share %	-	0.03	-	26.0
43. Insulated Wire & Cable	2774.8	3306.8	4186.0	4026.4
Belgium	47.6	2.8	142.8	42.0
France	425.6	305.2	277.2	235.2
Germany West	56.6	235.2	252.0	327.6
Holland	210.0	106.4	173.6	58.8
Italy	1058.4	1332.8	1470.0	1218.0
U.K.	428.4	672.0	1246.0	1022.0
U.S.	459.2	532.0	406.0	893.2
44. Vehicles Rubber Tyres	3679.2	4216.8	3662.4	6678.0
France	574.0	1492.4	1318.8	2186.8
Germany West	254.8	294.0	361.2	652.4
Italy	1279.6	974.4	798.0	1461.6

(contd.......)

Table 23 (Contd....)

Products/countries	1965	1966	1967	1968
44. Japan	313.6	249.2	280.0	537.6
U.K.	478.8	498.4	408.8	851.2
India	-	11.2	14.6	0.84
India's share %	-	0.26	0.39	0.01
45. Cycle Rubber Tyres	39.2	50.4	61.6	58.8
Czechslovakia	5.6	8.4	19.6	5.6
Germany West	11.2	8.4	11.2	14.0
Italy	14.0	19.6	19.6	8.4
Yugoslovia	-	0.56	8.4	8.4
46. Outer Garments for men & Women & Infants not Knitted or Crocheted	1634.0	15299.2	18256.0	27487.6
Hong Kong	988.4	1391.6	3091.2	3508.4
Italy	3858.4	4737.6	4975.6	8019.2
Poland	697.2	1072.4	1050.0	1055.6
U.K.	1374.8	1498.0	1150.8	1472.8
U.S.	540.4	744.8	915.6	1192.8
India	285.6	319.2	288.4	817.6
India's share %	2.45	2.08	1.57	2.9
47. Under Garments for Men Women & Infants not Knitted or Crocheted	694.4	602.0	484.4	1274.0
Hong Kong	47.6	14.0	30.8	226.8
Hungary	47.6	19.6	36.4	16.8
Italy	196.0	226.8	170.8	439.6
Japan	56.0	56.0	11.2	36.4
U.K.	70.0	117.6	67.2	86.8
India	11.2	2.8	2.8	33.6
India's share %	1.61	0.46	0.57	2.6
48. Handkerchiefs	84.0	126.0	95.2	210.0
China P.R.	8.4	14.0	14.0	30.8
Hungary	8.4	14.0	28.0	33.6

(Contd.......)

Table 23 (contd......)

Products/countries	1965	1966	1967	1968
48. Italy	11.2	25.2	11.2	44.8
Japan	39.2	47.6	28.0	75.6
India	0.56	0.28	0.28	1.12
India's share %	0.66	22.22	0.29	0.53
49. Shawls Scarves etc.	201.6	190.4	235.2	420.0
China P.R.	5.6	5.6	33.6	25.2
Italy	19.6	33.6	53.2	50.4
Japan	137.2	92.4	72.8	238.0
India	2.8	2.8	8.4	14.0
India's share %	1.38	1.47	3.57	3.3
50. Ties, Bow Ties etc.	112.0	103.6	75.6	109.2
France	14.0	8.4	8.4	14.0
Italy	56.0	42.0	36.4	36.4
Japan	8.4	0.56	Neg.	8.4
India	-	-	-	-
51. Corsets, Suspenders etc.	114.8	100.8	95.2	184.8
Germany West	14.0	8.4	2.8	5.6
Italy	16.8	11.2	22.4	28.0
U.K.	16.8	14.0	5.6	5.6
India	2.2	2.8	2.8	2.2
India's share %	1.95	2.77	2.94	1.2
52. Other Clothing N.E.S.	5.6	16.8	22.4	42.0
U.K.	5.00	10.00	12.50	6.6
U.S.	0.196	0.56	0.28	11.2
India	0.28	1.68	2.8	2.8
India's share %	5.00	10.00	12.50	6.6
53. Leather Apparel	145.6	128.8	92.4	221.2
Hong Kong	44.8	16.8	5.6	44.8
Hungary	-	1.40	-	-

(contd.....)

Table 23 (contd......)

Products/countries	1965	1966	1967	1968
53. **Italy**	28.0	28.0	28.0	28.0
U.K.	16.8	36.4	16.8	16.8
U.S.	19.6	25.2	16.8	78.4
India	-	-	-	2.8
India's share %	-	-	-	1.26
54. Knitted Stockings,Etc.	526.4	820.4	845.6	1232.0
Germany West	39.2	33.6	53.2	67.2
Hong Kong	126.6	159.6	182.0	266.0
Hungary	56.0	81.2	137.2	151.2
Italy	89.6	159.6	123.2	252.0
U.K.	30.8	72.8	36.4	67.2
India	11.2	1.68	0.56	8.4
India's share %	2.12	0.20	0.06	0.7
55. Bicycles & Parts Cycles not motorised	576.8	784.0	722.4	728.0
Italy	440.4	434.0	481.6	464.8
Japan	5.6	42.0	33.6	22.4
U.K.	154.0	257.6	176.4	210.0
India	0.112	-	0.0084	0.084
India's share %	.01	-	0.001	0.1
56. Cycles Parts	145.6	173.6	184.8	207.2
China P.R.	8.4	16.8	25.2	28.0
Holland	8.4	14.0	14.0	8.4
Italy	61.6	75.6	81.2	89.6
Japan	22.4	11.2	16.8	25.0
India	-	-	0.84	8.4
India's share %	-	-	0.45	4.1

(contd......)

Table 23 (contd....)

Products/countries	1965	1966	1967	1968
57. **Medicinal & Pharmaceutical Products**	**4625.6**	**5966.8**	**7840.0**	**9837.52**
France	145.6	271.6	322.0	431.2
Germany West	644.0	267.2	820.4	1124.20
Holland	218.4	210.0	193.2	330.4
Italy	2189.6	2710.4	3724.0	3492.44
Switzerland	249.2	403.2	817.6	966.0
U.K.	747.6	991.2	1167.6	1727.908
U.S.	95.2	176.4	218.4	1.68
India	-	-	-	207.68
India's share %	-	-	-	0.017
58. **Iron & Steel Bars, Rods Exe. Wire Rod of Iron Steel Hollow Mining Drill Steel.**	**1416.8**	**1358.0**	**1308.0**	**1836.8**
Belgium	168.0	168.0	120.4	294.0
Bulgaria	11.2	-	134.4	28.0
Czechoslovakia	-	-	67.2	154.0
Germany West	246.4	383.6	392.0	571.2
Italy	672.0	456.4	425.6	190.4
Yugoslovia	-	2.8	58.8	70.0
India	2.8	-	-	-
India's share %	0.19	-	-	-
59. **Angles shapes etc. of Iron or Steel**	**876.4**	**686.0**	**985.6**	**1265.6**
Belgium	198.8	92.4	162.4	288.4
Czechoslovakia	-	-	92.4	92.4
France	19.6	11.2	114.8	207.2
Germany West	322.0	78.4	212.8	170.8
Italy	254.8	145.6	221.2	212.8

(Contd.......)

Table 23 (contd......)

Products/countries	1965	1966	1967	1968
60. Universal Plates & Sheets of Iron & Steel	1674.4	1517.6	2759.2	4494.0
Belgium	-	660.8	789.6	672.0
Germany West	526.4	263.2	215.6	1565.2
Italy	271.6	403.2	876.4	403.2
U.K.	98.0	58.8	151.2	333.2
U.S.	5.6	2.8	448.0	397.6
61. Iron & Steel Wire Excluding Wire Rod	1946.0	3390.8	5359.2	6694.8
Belgium	176.4	364.0	408.8	1016.4
Bulgaria	-	14.0	305.2	400.4
Czechoslovakia	84.0	64.4	616.0	985.6
Germany West	232.4	378.0	851.2	504.0
Italy	1288.0	2046.8	2016.0	1125.6
U.S.S.R.	44.8	64.4	280.0	851.2
India	-	8.4	-	-
India's share %	-	0.25	-	-
62. Cast Iron Tubes, Pipes	15951.6	15122.8	22444.8	43150.8
Belgium	431.2	12151.6	428.4	879.2
France	1316.0	907.2	831.6	2083.2
Germany West	3656.8	1906.8	2853.7	4186.0
Holland	224.0	72.8	2254.0	10959.2
Italy	3883.6	3385.2	10542.0	7789.6
Japan	2394.0	1823.8	366.8	3491.6
U.K.	1422.4	1766.8	1794.8	4723.6
U.S.	2164.4	3068.4	2903.6	8013.6
India	-	8.4	5.6	-
India's share %	-	0.05	0.02	-

(contd.....)

Table 23 (contd.....)

Products/countries	1965	1966	1967	1968
63. **Seamless Tubes Pipes of Iron or Steel**	1307.6	28.0	523.8	733.6
Germany West	75.6	-	70.0	204.4
Holland	-	5.6	103.6	36.4
Italy	1061.2	8.4	193.2	299.6
U.K.	5.6	-	33.6	5.6
India	-	-	0.84	-
India's share %	-	-	0.16	-
64. **Welded,Etc. Tubes pipes of Iron or Steel.**	470.4	2.8	102.2	61.6
Germany West	128.8	0.56	19.6	1.68
Italy	123.2	-	25.2	25.2
India	5.6	-	-	-
India's Share %	1.19	-	-	-
65. **Iron or Steel Tubes & Pipe Fittings**	2948.4	2273.6	2511.6	14632.8
Germany West	198.8	218.4	197.2	218.4
Italy	305.2	308.0	526.4	946.4
U.K.	579.6	694.4	299.6	1671.6
U.S.	1688.8	722.4	1164.8	8542.8
India	-	-	8.4	2.8
India's share %	-	-	0.33	0.019

Source : Kingdom of Libya, Ministry of Economy and Trade: External Trade Statistics.

Table 24

ESTIMATES OF POTENTIALS OF INDIA'S EXPORTS TO LIBYA IN 1974

(In '000 dollars)

Commodity	Actual Exports from India		Estimated potential in 1974
	1967-68	1968-69	
Traditional exports			
1. Textiles	423	1,014	2,800
2. Jute	195	13	200
3. Tea	-	-	650
4. Spices	207	69	325
Engineering Products			
5. Iron & Steel Products (inclusive of finished structurals)	-	-	5,700
6. Machine tools	-	-	30
7. Electrical accessories and appliances:			
a) electrical machinery and appliances	-	-	915
b) Insulated wires & cables	-	-	400
8. Other industrial machinery	-	-	-
9. Diesel engines	54	59	250
10. Transport equipment	-	-	50
11. Bicycles and Parts	-	-	25
12. small hand tools	-	-	-
13. Aluminium ingots	-	-	

(contd......)

Table 24 (contd.....)

Commodity	Actual exports from India		Target in 1973-74
	1967-68	1968-69	
Mineral ores			
14. Iron ores	-	-	-
15. Other mineral ores	-	-	-
Other products			
16. Rubber tyres & tubes	-	-	-
17. Medicines & Pharmaceuticals	-	-	100
18. Chemicals (including dyes & caustic soda)	-	-	30
19. All other products	621	775	7,625
a) Rice	-	-	500
b) Tobacco, unmanufactured	259	-	400
c) Sewing machines	23	14	50
d) Footwear	34	83	200
e) Others (including other products, not elsewhere specified such as: canned food, exposed cinematographic films, sanitary-ware, builders hardware, plastic good imitation jewellery, handicrafts, etc.)	305	678	2,375
GRAND TORAL	1,500	1,930	15,000

APPENDIX 1

THE SURVEY TEAM

Director-General

Shri S.Bhoothalingam

Project Director

Shri R.S. Sharma

Consultants

Indian

Shri N.J. Kamath
Shri B.N. Khosla

Foreign

Dr. Morton C. Grossman
Mr. William H. Rusch

Economists

Shri S.R. Chawla
Dr. R.G. Gidadhubli
Shri N.R. Gopalakrishnan
Dr. P.C. Jain
Shri K. Kasturi
Shri V. Krishnamurthy
Shri P.K.Krishnaswamy
Shri P.L.Narayana
Shri R.K. Patil
Dr. T. Rameswara Rao
Shri T.R. Sehgal
Shri N. Venkataraman

APPENDIX 2

LIST OF OFFICERS/ PERSONS CONTACTED DURING FIELD VISIT

I. GOVERNMENT OFFICES/OFFICIALS - INDIAN AND LIBYAN

1. Mr. K. Srinivasan,
   Charge D' Affairs,
   Indian Embassy,
   Tripoli.

2. Mr. M.A. El.Jeridi,
   Director General,
   Economic and Social Division,
   Ministry of Planning and Development,
   Tripoli.

3. Dr. Salah El Serafy,
   Ministry of Planning and Development,
   Tripoli

4. Dr. Hosni Khalifa,
   Director,
   Publication and Public relation,
   Ministry of Planning and Development,
   Tripoli.

5. Mr. M.D. Bhat,
   Consultant,
   Census and Statistical Department,
   Tripoli.

6. Mr. K.G.C. Nair,
   Statistician,
   Census and Statistical Department,
   Ministry of Planning and Development,
   Tripoli.

7. Mr. N.V. Ganpule,
Industrial & Real Estate Bank,
Tripoli

8. Mr. Srinivasan,
Civil Engineer,
Ministry of Planning & Development,
Tripoli.

9. Mr. Roy Choudhary,
Engineer (Ports)
Ministry of Planning & Development,
Tripoli.

10. Mr. Hussain,
Strucutural Engineer,
Ministry of Planning & Development,
Tripoli.

11. Dr. Dhia Ahmed,
FAO Country Representative,
Ministry of Agriculture and Animal Wealth
Tripoli.

12. Mr. A. Farrah,
Agricultural Census Expert,
Ministry of Agriculture,
Tripoli.

13. Mr. Ibrahim Taivil,
Chief,
Statistical Division,
Ministry of Agriculture,
Tripoli.

14. Mr. Sidique El. Haj,
Asst. Chief,
Ministry of Agriculture,
Tripoli.

15. Mr. Kohli,
F A.O. Consultant
Ministry of Agriculture, Tripoli.

16 Dr. Mohammed Nashaat,
Economic Adviser,
Ministry of Economy,
Tripoli.

17. Mr. Habib Ahmed,
Country Representative,
U.N.D.P.,
Tripoli.

18. Mr. Kasim Sherlala,
Director,
Research Division,
Bank of Libya,
Tripoli.

19. Mr. F. Shacleton Fergus,
U.N.D.P.,
Tripoli.

20. Mr. Roscoe Seldon Suddarth,
Second Secretary,
Embassy of the U.S.A.

21. Mr. Shenoy,
U.N.D.P.
Tripoli.

22. Mr. A. Haridas,
Chief Engineer,
Ministry of Communications,
Tripoli.

23. Mr. Ganapathi Ram,
Engineer,
Electricity Corporation for Eastern Provinces,
Benghazi.

24. Mr. P. Pathak,
Technical Adviser,
Ministry of Public Works,
Benghazi.

25. Mr. K.S. Budhwar,
Benghazi Electric Authority,
Tripoli.

26. Mr. Pavitra Sagar,
Beida Development Organisation
Tripoli.

27. Mr. K.N. Krishnaswamy,
Asst. Structural Engineer,
Beida Development Organisation,
Tripoli.

28. Mr. MAMDO,
Engineer,
Beida Development Organisation

29. Mr. Syed Omar Yacoub,
Chairman,
Beida Development Organisation

30. Financial Adviser,
Beida Development Organisation

31. Executive Director,
Beida Development Organisation

32. Mr. Warrior,
Chief Engineer,
Tripoli Port.

II. CHAMBERS OF COMMERCE/BANKS AND SHIPPING COMPANIES

33. Mr. Mohammad Giaber,
Secretary,
Chambers of Commerce,
Tripolitaria,
Tripoli.

34. Secretary,
Chamber of Commerce,
Industry and Agriculture,
Benghazi.

35. Mr. Jeffris,
General Manager,
Bank of North Africa

36. Libyan Sea Shipping Company,
Shipping and Ste Vedoring Agents,
P.O. 2894,
Tripoli.

37. Industrial and Real Estate Bank,
Tripoli.

38. Bank of Libya,
Tripoli.

39. M.M. Rai,
Superintendent,
The New India Assurance Co.,
Tripoli.

40. S. Gūha,
New India Assurance Co.,
Tripoli.

III. IMPORTERS AND COMMISSION AGENTS

41. Saleh M. Benshatwan,
O/Manager,
Beshatwan Trading Agency,
P.O.Box 335,
Benghazi - Libya.

42. North Africa Agency,
Adburazzag Abdossami,
Import-Export-Tourism,
Commercial Representation,
Tripoli.

43. Mr. Haj Mohammed Shebani,
'SHEBCO',
Tripoli.

44. A.M. Bu-Gazia, Esq.,
General Manager,
SHEBCO Company,
P.O. Box 626,
Tripoli,
Libya.

45. Omar Abdalla El. Huni, Esq.,
General Trade,
Import-Export,
Tripoli,
Libya

46. Yousef A. Nader, Esq.,
Director,
Libyan Co. for Representations Ltd.,
Tripoli,
Libya

47. Mamdouh Abbas, Esq.,
Managing Director,
ADECO,
Tripoli

48. Rais Ghaznavi, Esq.,
"AMSHECO"
SC' ARA EL KOMAIT,
Haghig Build,
Tripoli - Libya.

49. Heg. M.M. Sheibang & Co.,
(SHEBCO)
Benghazi
Libya.

50. M. Mustafa Sheibani, Esq.,
Benghazi.

51. A.G.M. Mabrouk, Esq.,
P.O. Box 801,
Tripoli,
Libya.

52. Mabrouk Agency
Commercial Representation,
Import-Export,
Tripoli,
Libya.

53. Mr. Saber G. Ezzway,
Economical Mercantile Agency,
General Commercial Representation Property,
Benghazi

54. JOE. Saliba, Esq.,
Sales Manager,
Ahmed A. Sciuehdi,
Box 909,
Tripoli,
Libya.

55. M/s Dua, Abd El. Hafiz Gefal,
Mercati Generali,
Tripoli.

56. M/s D.A. Jiaffal,
General Merchants,
Tripoli.

57. Ahmed Shwehdi, Esq.,
Shwedi & Co.,
P.O. Box 909,
Tripoli,
Libya.

58. George Mansour Karroum, Esq.,
General Manager,
Aly Sellak Est.,
Benghaz i,
Tripoli.

59. M.H. Zaveri, Esq.,
M.L. El. Haris,
Manufacturing Representative,
Commission Agent,
Libya.

60. Krim Louis Assouad, Esq.,
General Manager,
Sourri Bros,
P.O. Box 309,
Tripoli,
Libya.

61. Mr. Boro Todorovie,
Inter - Libyan Co. Ltd.,
33, Bagdad Street,
Tripoli.

62. Mr. Dajani,
Director,
ESSO,
Tripoli.

63. Mr. Noori Fituri,
54, Mizran Street,
Tripoli.

64. Mr. Anand Shah,
Arabi Ahmed Shahli,
Oman Mukhtar Street,
Tripoli.

65. Mr. George Mansour Kharroum,
General Manager,
ALY Shellak Est.,
Benghazi

66. M/s Neechamal,
24, December Street,
Tripoli.

67. M/s Frankness Corporated Co.,
Darrat Brothers,
Giaddat Omar El.
Mukhtar, 74, Tripoli.

68. M/s Derregia,
DITA,
219, Istiklal Street,
Tripoli

69. Mr. Padmanabhan,
Indian Home Pipe Co.,
Tripoli.

70. Mr. C.S. Raj Guru,
Manager,
Foreign Sales,
Kirloskar Oil Engines Ltd.,
Poona.

71. Mr. J.S. Karnani,
Sales Executive,
TELCO,
Bombay

72. Mr. J.D. Jand,
Export Executive,
Model Hosiery Works,
Ludhiana.

73. Mr. D.R. Dhand,
ALPS Hosiery Mills,
Ludhiana.

74. A.S. Omran, Esq.,
22, Sheikumait,
Tripoli.

APPENDIX 3

ARTICLES SUBJECT TO PRICE CONTROL

A. IMPORTED MATERIALS

1. Construction materials
2. Timber
3. Paints, varnish and colours
4. Electrical material and instruments
5. Furniture
6. Safes
7. Tinker materials
8. Carpets, furniture, covers & baskets
9. Kitchen utencils
10. Peppers
11. Honey
12. Children and sick people food
13. Milk and its derivatives
14. All kinds of nutrious food
15. Meat, animals and poultry
16. Fresh and canned fish
17. Fruits, vegetables fresh and canned
18. Sweets and chocolate of all kinds, including cocoa
19. Biscuits
20. Eggs
21. Mineral waters
22. Beer
23. Alcoholic drinks and wine
24. All Kinds of chemical fertilisers
25. Industrial and agricultural machines and their spare parts.
26. Insecticides of all kinds
27. New and old cars, trailers and spare parts
28. Bicycles and motorbicycles and its spare parts
29. Generators of all kinds
30. Natural and artificial ropy materials
31. Medical equipment of all kinds
32. Chemical products
33. Beauty materials, perfumes toothpastes and shaving gear.

34. Soap including detergent
35. T.V. Radio and Recorders equipments with spare parts and records.
36. Sewing machines and spare parts.
37. Botagas and spare parts
38. Photographic equipments and its tools, stationery and developing materials
39. Paper for newspapers and wrapping
40. Stationery including schools material
41. Newspapers, magazines and books
42. Watches, pens and lighters
43. Medical eyeglasses etc.
44. Ready made clothing of all kinds
45. Shoes of all kinds
46. Leather bags of all kinds
47. Leather and leather products of all kinds
48. Toys
49. Threads for all purposes
50. Weighs and measurements
51. Ropes of all marks and made
52. Fuel, oil and all kinds of lubricating materials
53. Sports equipments.

B. LOCAL PRODUCTS

1. Bread of all kinds
2. Macaroni
3. Biscuits
4. Nutritious food canned of all kinds
5. Sweets of all kinds
6. Meat
7. Milk and its derivatives
8. Ton and canned sardine
9. Vegetables of all kinds
10. Edible Oil
11. Fruits & vegetables fresh and canned
12. Mineral water of all kinds
13. Alcoholic drinks of all kinds
14. Matches
15. Fuel and oil for cars of all kinds
16. Textiles materials
17. Wrapping papers.

(contd......)

C. GENERAL

1. Cinema halls
2. Hotels, Pensions, Restaurants & Bars
3. Barbers
4. Washing and lubricating stations
5. Oil refineries
6. Wages of passengers and goods transport.

Source: Resolution No. 18 of 1965 Subjecting Certain Goods, Products and services to price control dated 22 November 1965.

APPENDIX 4

ITEMS SUBJECT TO IMPORT LICENSING

1. Wheat and Barley
2. Sweets of all kinds, biscuits, bread
3. Alcoholic drinks, spirits and alcohol
4. Soft drinks and gas drinks
5. Macaroni & Koskossi
6. Semolinas
7. Fresh fruits
8. All Kinds of hides
9. Common wrapping paper
10. Fresh vegetables & dried, including onion, potatoes and red pepper(ground & not ground).
11. Preserved tomatos (Tomato paste & peeled tomato)-
12. Fresh fish, and dried including tuna and sardines.
13. Almonds & groundnuts.
14. Sponge
15. Doors and windows and wooden furniture
16. Manufactured goods made of Brass & metal and Aluminium
17. (Straw) mats.
18. Hard soap
19. Dates in general
20. Handkerchiefs, dresses
21. Table olives
22. Waste baskets
23. Pottery not glazed
24. Drilling mud
25. Building bricks, tiles
26. Fuel: a) Petrol (b) Benzine (c) Kerosene
    d) Heavy oils.
27. Old & New cars and spare parts
28. Agricultural & Industrial instruments & spare parts.
29. Killed birds, meat.
30. Carbon-dioxide.
31. Empty tins which can contain one gallon or 2 gallons.
32. Televisions & their spare.

(contd.......)

Items under the Government Monopoly

1. Raw gold
2. Sugar
3. Salt
4. Cigarettes, cigarette papers & Tobacco

Items given Import Licences after discussion with specialised authorities

		Authorities
1.	Arms and Fireworks plays	Ministry of Interior
2.	Seeds in general	Ministry of Agriculture
3.	Live animals	Ministry of Agriculture & Animal Wealth
4.	Olive Oil, Vegetable & Animal oils	Ministry of Agriculture & Animal Wealth
5.	Anaesthetics, medicines and medical drugs	Ministry of Health
6.	Used clothes	Ministry of Health
7.	Clothes & equipment sold by army	Ministry of Defence & Ministry of Interior

APPENDIX 5

TARIFF RATES ON SELECTED COMMODITIES

Description of Goods	Rate of duty
Edible fruit and others; Peel of citrus and melons	15-20 percent
Coffee, not roasted	40 mills per kg. net
Coffee, roasted and ground	20 per cent
Tea and mate	50 mills per kg. net
Pepper	50 per cent
Vanilla	Nil "
Cinnamon	10 "
Cloves	10 "
Nutmeg	10 "
Mace and Cardamoms	10 "
Turmeric 1) Root	10 "
2) Powder	10 "
Cereals	Nil
Products of milling industry, malt and starches of cereals roots and tubers; glutin and inulin	0-25 Per cent
Oil seedsand Oleaginous fruit; Miscellaneous grains, seeds and fruit, industrial and medical plants, straw and fodder	0-20 per cent
Raw vegetable materials of a kind used primarily in dyeing or in tanning	5-25 per cent
Shellac, seed lac, stick lac and other lacs, natural gums, resins etc.	5 per cent
Vegetable materials not elsewhere specified	5-20 per cent
Castor oil for medical purposes	Nil
Olive oil	Nil
Linseed	Nil
Cotton seed oil	Nil
Sesame oil	Nil
Coconut oil	5 Per cent
Preparations of meat or fish or crustaceans or molluses	30 per cent

(contd........)

Description of goods	Rate of duty
Beet sugar and cane sugar	21mills per kg. net
Glucose and artificial honey	10 percent
Molasses	5 mills per kg. net
Sugar Confectionery	40 percent
Cocoa and cocoa preparations	15-40 per cent
Preparations of cereals, flour or starch, pastry cooks products	10-25 per cent
Tobacco-raw or semi-manufactured	Nil
- Manufacturers - imported through State	Nil
Salt, sulphur; Earths and Stones, Plastering materials; lime and Cement	2-20 per cent
Metallic ores, slag and ash	Nil
Mineral fuels, mineral oils and products or their distillation; bitaminous substances; mineral waxes	0-10 per cent
Chemical elements, their compounds and products	0-25 per cent
Organic chemicals	0-20 "
Pharmaceutical products	Nil
Fertilizers	Nil
Tanning extracts and products	5 Per cent
Synthetic organic dystuffs and other colouring agents	15 per cent
Paints, varnishes and lacquers	30 "
Writing ink, printing ink	5 "
Perfumery, cosmetics and toilet preparations	25-100 per cent
Soap, including medicated soap	15-25 percent
Rubber tyres, tyre cases, inner tubes and tyre flaps for wheels of all kinds	25 per cent
Skins other than fur skins	10-15 "
Wood and articles of wood, wood charcoal	0-30 "
Cork and articles of cork	5-25 "
Paper making materials	Nil
Paper, paper board, articles of paper etc.	0-20 per cent
Silk, waste silk and their derivatives	0-15 per cent
Woven fabrics of silk	25 Per
Yarn of man-made fibre	Nil

(contd.......)

Description of goods	Rate of duty
Woven fabrics of man-made fibres	25 percent
Metallized Textiles	10 "
Wool and other animal hair	0-20 per cent
Flax and rannie	0-5 per cent
Raw cotton	Nil
Raw Cotton	Nil
Cotton linens	Nil
Cotton yarns for textile weaving	Nil
Cotton yarn for retail sale	
Cotton gauge	5 per cent
Terry towelling fabrics of cotton	10 per cent
Other woven fabrics of cotton	Nil
Woven fabrics of man-made fibres, discontinuous or of waste	
(a) synthetic textiles (nylon, orlon, perlon etc.)	20 per cent
(b) of artificial textiles	20 "
Jute Yarn	5 "
Yarn of other vegetable fibres	5 "
Paper yarn	15 "
Woven fabrics of true hemp	20 "
Jute sacks	10 "
Textiles of unbleached jute	2 "
Carpets with hemps, knotted or rolled made up or not	20-40 per cent
Other carpets	-do-
Jute and other net fabrics	33⅓-50 per cent
Embroidered cloth	25-50 "
Undergarments, outer garments & other articles knitted, not elastic or rubberised	
a) of silk or of waste silk	50 per cent
b) of man-made fibres	25 per cent
c) of wool or fine animal hair	10 "
d) of cotton	10 "
Men's women's and children's outer garments	10-25 percent
Men's, women's and children's undergarments including men's and boys collars, shirt fronts and cuffs	10-25 per cent
Handkerchief, shawls, scarves, mufflers Mantillas, veils and the like	10-25 per cent

(contd.......)

Description of goods	Rate of duty
Ties, Bowties and Cravats	10-25 per cent
Rugs and blankets	10-25 "
Bed linen, table linen, toilet linen and kitchen linen, curtains etc.	10-25 "
Sacks and bags of a kind used for the packing of goods:	
a) of jute	10 Per cent
b) of cotton	10 per cent
c) of other textile materials	20 per cent
Tarpaulinsm cotton	15 per cent
Footwear, rubber and leather	5-20 per cent
Umbrellas, sunshades, walking sticks, whips, riding-crops and parts thereof	10-25 per cent
Ceramic products	10-25 "
Glass and Glassware	0-35 "
Pig iron and cast iron	Nil
Ferro Allys	Nil
Scrap and waste of iron or steel	Nil
Blooms, billets, slabs and sheet bars	Nil
Iron or steel coils for re-rolling	Nil
Bars and rods	Nil
Angles, shapes of iron or steel	Nil
Hoop and strip	0-5 per cent
Sheet and plates of iron or Steel	5 per cent
Iron or steel wire	0-5 per cent
Ally steel and high carbon steel	Nil
Railway rails	Nil
Tubes and pipes of cast iron	
a) Dia. 5 cm. and more for water supply	Nil
b) irrigation purposes	Nil
c) Others	10 per cent
Tube and pipe fittings	0-10 per cent
Steel structures	
a) Doors and window frames	30 per cent
b) Shria gates and lock gates	20 "
c) Others	20 "
Unwrought aluminium	Nil
Hand tools	
Cutlery and other hardware items	5-25 per cent
Textile Machinery	Nil
Agricultural machinery	Nil
Sewing machines	10 per cent

(contd.......)

Description of goods	Rate of duty
Paper machinery	Nil
Machine tools for working metals	Nil
Machine tools for working wood	Nil
Type writers etc.	20 per cent
Transformers, rectifiers etc.	Nil
Electro-mechanical domestic appliances, with self-contained electric motor	25 per cent
Switch gears etc.	20 per cent
Insulated electric wire	20 per cent
Tractors	Nil
Bicycles	20 per cent

Source: Commercial Directory, 1967-68

APPENDIX 6

TRADE AGREEMENTS CONCLUDED BY LIBY

Agreement	Date
1. Payments and Trade Agreement with Greece	March 16,1957
2. Agreement amending the trade and payments agreement concluded with UAR	July 24,1968
3. a) Trade Agreement with Tunisia	July 14, 1961
b) Cooperation Agreement with Tunisia in the chemical industries sector	Aug. 15, 1968
4. Trade Agreement with Morocco	Dec. 27,1962
5. Trade Agreement with the U.S.S.R.	May 30, 1963
6. Trade Agreement with the Republic of Chad	March 2, 1966
7. Trade Agreement with the Republic of Nigiers	Feb. 1, 1967
8. Trade Agreement with Turkey	Jan. 29, 1968
9. Trade Agreement with Jordon	March 4, 1968
10. Trade Agreement with Malta	May 31, 1968
11. Economic Agreement with Sudan	Sep. 7, 1968
12. Economic Technical Cooperation Agreement with Federal Germany	July 8, 1960
13. Economic and Technical Cooperation Agreement with Morocco.	Dec. 27, 1962
14. Technical Cooperation Agreement with Yugoslov	June 24, 1965
15. Agreement on Economic, Technical and Educational Cooperation with Malta	May 31, 1968

Source: The Libyan Economist - April 1969.

APPENDIX 7

SHIPPING FREIGHT RATES : BOMBAY - TRIPOLI 1/

Commodities	Rates in £ sterling (expressed in shillings)
Iron and Steel Products:	
a) Structural	Sh. 182/6 per tonne or Sh. 167/6 per M^3
b) Pipes - Minimum	Sh. 212/6 - 1000 kg. or Sh. 195- M^3 (Minimum based on value not exceeding £ 75/-).
c) Bars, angles, beams, billets blooms, channels, ingots, plates, rods, sheets, slabs and T's (not exceeding £ 70)	Sh. 117/6 - 1000 kg.
General Cargo Rate:	Sh. 277/6 per 1000 kg. or Sh. 250 per M3 or 2.5% ad valorem (which is higher)
Machinery parts	Sh. 205/- per tonne or Sh. 187/- per M^3
Sewing Machines	Sh. 167/6 - M^3
Wires and cables	Sh.245/- - 1000 kg. or Sh. 225/- - M^3
Elec. goods	Sh. 220/- - M^3

1/ These rates refer to shipping via Suez Canal and are base rates. The method of calculating current rates is discussed in Chapter V.

APPENDIX 7 (contd.....)

Commodities	Rates in £ sterling (expressed in shillings)
Welding electrodes	245/- - 1000 kg or 225/- M3
Cotton piece goods, ready-made garments, sewing threads	220/- per M^3
Yarns	180- per M^3
Trucks, Buses	210-1000 kg. or 190- M3
Paints :	
Lacquered	400 - M3
Redy mix 93° or over	187/6 - M^3
Provisions	187/6 - M^3
Plastic goods	232/6 - M^3
Sanitary-ware not exceeding £35 in value per freight tons	162/6 - 1000 kg. or 150/- - M^3
Shoes:	
Leather	220/- - M^3
Rubber, Canvas	175/- - M^3
Snowcem in drums	175/- - 1000 kg.
Agricultural spraying equipment	237/6- M^3
Tobacco in bales	160/- - M^3
in cases	155/- - M^3
Truck trailers(semi-knocked down conditions)	195/- -1000 kg. or 145/- - M^3
Woollen goods	220/- - M^3
Barbed wire	180/- - 1000 kg.
Wires - Mild	215/- - tonne
Steel Iron -	177/6 - M^3

Source: Scindia Steam Navigation Company, Bombay.

APPENDIX 8

KINGDOM OF LIBYA

MINISTRY OF PUBLIC WORKS

APPLICATION FOR REGISTRATION OF INTERNATIONAL CONTRACTI COMPANIES

Company's Name:

Date and Place of
Establishment:

Address of the Head Office:

Name of the responsible
Manager

Name of the official representative who is authorised
to sign on behalf of the Company

Address of the Company in
Libya (if any):

Name of the Libyan Representative or Agent:

Capital of the Company:

Previous Registration(if any):

Specialization Works:
Civil, Mechanical
or Electrical:

(contd.......)

The following documents are herewith attached and duly legalised by the competent authorities.

1. Contract of the Constitution of the Company and its internal regulations.

2. The documents concerning the appointment of the Director of the Company, the Legal Adviser and the limit of their responsibilities and competences.

3. Documents in relation with the capital of the company.

4. Documents providing that your company has carried out few projects in your home country together with certificates attesting that the works have been executed with entire satisfaction of the customers.

5. Documents proving that your Company has carried out few projects outside the home country together with certificates attesting that the work havo been executed with entire satisfaction of the customers.

6. A commitment from the Company to open an office in Libya as soon as a project is awarded to it.

(contd.......)

7. A commitment from the Company to transfer 10% from the value of any Contract award to it in Libya, with the limit of 100,000 Libyan Pounds within a period of one month from the date of the contract's signature.

Signature of applicant

Position

Date...............

APPENDIX 9

SELECTED BUILDING CONTRACTORS IN LIBYA (BASED IN TRIPOLI)

Othman Ben Othman & Co.	Sharia Mohamed Ali Senussi Tel: 37270/31861
Mohamed Ngn'	Sharia Mohamed Ali Senussi IB P.O Box 916 Tel: 32819
LIBELCO	Shari 24 December 82, P.O.Box 1060, Tel: 35062, 36890
SHEBCO.	Sharia Haiti, P.O. Box 626 Tel: 31711/33135
National Development Co.	Sharia Ahmed Shorif. P.O.Box 348, Tel:33710/30726
ARENCO	8/10 Sharia Baladia, Tel: 38182
SAASCO	Sharia Omar Abdulaziz, P.O. Box 371, Tel:45551/42130
Al Oumran	Sharia Ennasser 7, P.O. Box 364 Tel: 30322
ASCO Libya	Sharia Toselli 5, Tel:30149/34736
Ben Sasi & Hamuda Co.	Sharia Erranshid 61/63, Tel: 30966/36402
I.A.I.	Sharia Srim, Tel: 33420
Libyas Desert Operations	Maidan Wisam El Dabi 21. Tel: 30113/4
KETO	Sharia Bagdad, Bodri Bldg. Tel: 32700
Taylor Woodrow (Overseas)	Sharia Binachini I.P.O. Box 2184, Tel: 31458

(contd......)

Appendix 9 (contd....)

Costain & price Libya Co.	Sharia Tehran 1.
Akkara Bros.	Sharia 24 December 158, Tel: 32404
Assarah Co.	Sharia Beida 8, Tel: 36462
Abdussalam Ftes & Co.	1 Sharia Tehran, Tel:33944
Ben Barka	29 Sharia Magarba Tel:33893
Sherrag Co.	Sharia Omar Mukhtar (Tascone Bldg.) Tel: 32714
Mohamed Ali Yemani	Sharia Scidi 1, Tel: 35067/ 32535
Abdulgader Ali Abdulgader Werfelli	Sauni Road, Km2,Tel: 34457
Ali Sellak	Sharia Seidi 50. Tel: 37380
Ahmed Naami	Sharia Tehren, P.O.Box 1065, Tel: 34711/32051
Abdurahman Mormesh	Sharia Sadia 33,Tel: 31473
Inter Libyan Co.	Sharia Bagdad (Bdri Bldg.) Tel: 30602
Economic Trading & Inds.Co.	Sharia Mohamed Damanhuri 2, Tel: 37913
Lutfi Ayef Co.	Sharia Ben Asciur (near Esso Station)Tel: 31678
Baldratti Vittorio	Sharia Omar Mukhtar 29, Tel: 37516
Mohamed Nabbus	Maidan 9, Agosto.
Soussi Brothers	Sharia Tehran 1.
The Libyan Trade & Industry	Sharia Baladia.

(Contd......)

Appendix 9 (contd....)

Ali Tarhuni & Co.	Sheria Murad Aga.
H.K. Ferguson Libya Co.	Sharia Khalid Walid 210.
The Arab Trade & Contracting Co.	Sharia Gadolini 32
NITCO	Sharia Sidi Hamuda 19
MEIET Co.	Sharia 24 December 96.
SANLCO.	Sharia Omar Mukhtar 31.
Libyan Construction Co.	Sharia Omar Mukhtar 31
Car & Engineering Co.	Sharia Damascus 56.
KANA Co.	Sharia Istiklal 67.
NAMCO	Sharia Ibenerrumi 41.
Libya Trading Tourist	Sharia Hassuna Pasha 37.
Nadim Salim Dajani Co.	Sharia Omar Abdulazziz.
Ansahde El Minaria	Sharia Tehran 1/3
Farabi	Sharia Kahire 13
Contimbex	Sharia Omar Abdulazziz 24.
ESCO LIBYA	Sharia Saidi
Arab Union for Engineering & Trading Co.	Sharia Istiklal
Middle East Supply Co.	P.O. Box 945
CRICO	Maidan Algeria 18.
Associated Commercial Enterprise	Sharia Haiti 1.
G.B. Agency Libya	Sharia Bandong

(contd....)

Appendix 9 (contd....)

African Contracting & Trading Co.	El Hadbe el Khadra
African Construction & Engineering Co.	Sharia Iskandaria 3.
Nagco	Sharia Puccini 16.
Dafil Co.	Bab Azzizin
Fezzanese Tradint Co.	Bab Azzizia
National Trading & Contracting Co.	Sharia 24, December 110.
Union Contractors Co.	Sharia Ennaser.
Shemtel Co.	Sharia 24, December
Nansura Contracting Co.	405, Sharia Zawia
Shahara Enterprise Co.	Sharia Saidi 59
National Engineering & Construction Co.	Sharia Ennabiga 5.
Ammar Co. - Aian Co.	Sharia Iba Errumi 41
Libyan Co.	Bab Azzizia, P.O.Box 2176
Libyan International Engg. & Public Works	Sharia Sidi Belliman 27,
El Fituri Swehli	Sharia Abu Kheir
Ali Mohmed Buzayan	Sharia Mizran 44
Mohamed Ali Mamluk	Sharia Calcutta 11.
Mohamed Hadi Ramadan	Sharia Seidi 108
Accetti Aldo Vincenzo	Sharia 24 December 236

(contd.......)

Appendix 9 (contd....)

Bardiai Umberto	Sharia Mizran
Fonti Antonio & Baldarati Libero	Sharia Caruata 7.
La Rosa Giuseppe	Sharia Sidi Muncider
Lucca Antonio Giovanni	Sharia El Ahuas 24
Rizza Giovanni	Sharia Zavia 3
Selvatore Ghirlando	Sharia Omar Mukhtar 31
Teressi Amelio	Sharia Ibn Duraid 11
Vesta Giovanni & Co.	Sharia Mizran.

APPENDIX 10

LIST OF PRINCIPAL COMMISSION AGENTS AND IMPORTERS

I. REPRESENTATIVE & COMMISSIONS AGENTS

Mohamed El Masri	Sharia El Maamun,	Tripoli
Rtemi Brothers	Bab El Hurria,	"
Ahmed Sen Lamin	Shara Maamun,	"
Ali Bisahli	Shara Omar Mukhtar,	"
Mustafa Ben Shabab	Shara Sidi Omran,	"
Abdelhani Tresh	P.O.Box 2318,	"
Mohamed El Hars	Shara Rashid,	"
Abubaker Hadriz	P.O.Box 2375	"
Abdelwahid El Gibawi	Maidan 9th Augustus,	"
Ali Mustafa Wali	Suk El Turk,	"
Ali Ghellali	Bab El Hurria,	"
Nuri Rtemi	Bab El Hurria,	"
Mohamed Zawi	Shara Michel Angeelo	"
Azzedin Sokni	Maidan 9th Augustus,	"
Omran Haggiag	Shara Kumit,	"
Mustafa Thumi	Shara 24 December	"
Rasem Ben Otman	Shara Ahmed Sherif,	"
Mohamed Bilal	P.O.Box 2496,	"

(Contd...)

Appendix 10 (contd......)

Tresh Trading Agency	P.O.Box 705, Shara Omar Mukhtar 310/18	Tripoli
Mahmud Dernawi	P.O.Box 2464	"
Mohamed Amari	P.O.Box 2213	"
Taher Bisthi	Shara Ahmed Sherif,	"
Mohamed Dakhil	Shara Ahmed Sherif,	"
Abdelwahid El Gibawi	Maidan 9 Augustus,	"
Grico	P.O.Box 2539	"
ASETCO Ltd.	P.O.Box 671	"
Kalifa Kashouk	P.O. Box 6101	"
Musbah Zian	Shara Mohamed Ali Senussi	"
Libyan Electronics Co. (Libelco)	P.O. Box (318)	Benghazi
Mitchell Cotts & Co (Libya) Ltd.	P.O.Box (202)	"
Gordon Woodroffee (LIBYA) Ltd.	P.O.Box (50)	"
Libyan Rubaia Co.	Jabal Akhdar Bldg.	"
Nawar & Co.	-do-	"
Abdalla Rida & Co.	P.O.Box (402)	"
International Trading & Contracting Co. of Libya	P.O.Box (502)	"
Sahara Oil Field Services Co. (LIBYA)	P.O.Box (602)	"
Alhuss Cyrenaica Co.	P.O. Box (128)	"
Lamkm of Libya Ltd.	Istiklal St	"

(contd...)

Appendix 10 (contd....)

Elgebali & Almgheirbi Co.	P.O. Box (148)	Benghazi
Cyrenaica Motor (Suleiman Elmuttawa & Co.)	P.O. Box (499)	"
Technical Co.(Elaneizi & Co)	P.O. Box (2853)	"
Arsco (Import, Export & Contracting Co.)	P.O.Box (1769)	"
Curenaica Trading Agencies (Ali Assallabi)	P.O. Box (496)	"
Asia Trading Agency (Mohamed M. Elmazig)	P.O. Box(633)	"
United Commercial Agencies (Hamid A. Alhudeiri)	P.O.Box (374)	"
Barrani Trade Agency	P.O.Box (1305)	"
Commercial Representation Establishment	P.O. Box (1085)	"
All-Libyan Trading Agencies	P.O. Box (289)	"
M. Nahli Agencies	P.O.Box (122)	"
Abdurrahman R. Elkikhia	P.O. Box (58)	"
Rhuma G. Benyagoub	P.O.Box (28)	"
Muftah A. Attagiuri	Suq. Eljareed.	"
Ibrahim A. Akasha	Umar Elmukhtar St.	"
Abdulgadir S. Bugrara & Son	Umar Ibn Elkhattab St.	"
Abdalla A. Azzawi	Suq. Eljareed	"
Mohamed M. Azzegheibi	Elagheeb St.	"

(Contd....)

Appendix 10 (Contd....)

Antranich K. Cricorian	P.O.Box (400)	Benghazi
Mohamed M. Bengurbal	Aschueikhat St.	"
Suleiman A. Azzleetni	Aschareef St.	"
Stelios Scarakis	P.O.Box (142)	"
Khalifa M. Bukhzam	P.O. Box (159)	"
Mustafa H. Nabbus	Qasr Hamad St.	"
Salih M. Benshatuan	Mukhtar Assabri St.	"
Ibrahim H. Bey	P.O. Box (198)	"
Mohamed S. Garrelu	15, Gzeer St.	"
Ahmed A. Boulifa	Aschareef St.	"
Mustafa M. Ascheibani	P.O.Box (311)	"
Yasin M. Alaamami	Sidi Salim St.	"
Mohamed M. Huleiu	Umar Touson Sq.	"
Ali A. Arramli	P.O. Box (516)	"
Abdulgadir K. Attawila	Elaarfia St.	"
Mansur A. Elgueil	Municipality Sq.	"
Hussein A. Mohamed	Bir Bilal St.	"
Abdalla S. Benhariz	P.O. Box (206)	"
Saad Bugaighees	P.O. Box (492)	"
Mustafa A. Elkuafi	Bugula St.	"
Ibrahim F. Hammad	Mukhtar Assbri St.	"
Mari M. Buzakuk	Elgueil St.	"

(Contd.....)

Appendix 10 (contd....)

Mohamed R. Escharkasi	Tripoli St.	Benghazi
Abdulhamid M. Elmabruk	Bugula St.	"
Abdulaziz M. Buschema	P.O. Box (2074)	"
Abdurrahaman A. Elfeituri	Achueikhat St.	"
Abdulgadir S. Elgannai	Mubarak Aschareef St.	"
Ahmed A. Assallabi	Bengasheer St.	"
Hasan A. Bubteina	Mohamed Musa St.	"
Hussein A. Elmisteery	Bseikri Land/Assabri	"
Salim M. Alfergiani	P.O. Box (2075)	"
Suleiman A. Almasri	8 Derna St.	"
Abulgasim A. Addrasi	P.O. Box (305)	"
Assadig A. Aschumi	Istiklal St.	"
Mohamed A. Elmahdawi	57 Sidi Said St.	"
Mohamed M. Ascheibani	P.O. Box (403)	"
Assaber J. Azzuei	P.O. Box (384)	"
Bashir A. Attayyash	Suq. Eljdeida	"
Ahmad Qasim	P.O. Box (218)	"
Assanusi Shamsa	Umar Elmukhtar St.	"
Mohamed A. Elbeegiu	Fuehat	"
Abdu M. Bengalbun	Suq. Addalam	"
Ali S. Attayyash	Suq. Eljareed	"

(Contd...)

Appendix 10 (contd....)

Ali M. Elmalian	Tokra St.	Benghazi
Ali S. Osman	Suq. Ejareed	"
Hussein M. Aschweihdi	17 Zuara St.	"
Saleh Elmahdawi	Saint Lot St.	"
Abdurrahman Bounkheila	Umar Elmukhtar St.	"
Muftah Zwawa	Mohamed Musa St.	"
Sameer A. Benhaleem	Adrian Pelt St.	"
Ramadan M. Buzcid	Sidi Salim St.	"
Jamal T. Abdulmalik	Suq. Buzeid	"
Mohamed H. Kablan	P.O. Box (551)	"
Abdussalam M. Addarat	Addarrat St.	"
Muftah A. Assameen	P.O. Box (619)	"
Saleh K. Radwan	P.O. Box (807)	"
Ahmed M. Kablan	P.O. Box (2995)	"
Mohamed A. Elfeituri	P.O. Box (540)	"
Ali S. Elkawash	P.O. Box (2603)	"
Mohamed A. Enneihum	P.O. Box (2569)	"
Mahmud M. Bengalbun	Rueifa Elansari St.	"
Suleiman M. Attagiuri	P.O. Box (2111)	"
Muftah I. Benshatwan	P.O. Box (3287)	"

(Contd....)

Appendix 10 (contd..)

Abdalla S. Lowjali	P.O. Box (1445)	Benghazi
Mohamad A. Lowjali	Berka.	"
Mohamed K. Salah	P.O. Box(2353)	"
Mohamed M. Elhishem	60, Bounkheila Alley	"
Salim M. Benhaleem	P.O. Box (917)	"
Nasir A. Azzentani	P.O. Box (2623)	"
Mohamed A. Shatwan	P.O. Box (362)	"
Jibreel U. Ascharkasi	P.O. Box (3328)	"
Mahmud M. Bousinn	P.O. Box (851)	"
Uthman A. Elhuni	P.O. (684)	"

II. IMPORTERS OF SPICES

Taher Ben Nafa Shakshuki Street, Tripoli.
Taher Shahut - Maamun Street, Tripoli.
Mohamed Msellati - Maamun Street, Tripoli.
Ftes Ezzabi & Co. Maamun Street, Tripoli
Mustafa Kalifa Saadi - Maidan Teson, Tripoli.
Mohamed Mohd Larnaod - Bab el Hurria, Tripoli.
Mohamed Said el Baklul - Shara Shakshuki, Tripoli.

(contd.....)

III. IMPORTERS OF TEXTILES

Abdalla Ender - Trig El Helga, Tripoli
Abdalla Glessa - Suk el Attare, Tripoli
Abdulmagid Mahgiub - Shara Comment, Tripoli
Abdalla Umbark - Tryg el Helga, Tripoli
Suleiman El Accari - Trig El Helga, Tripoli
El Hag Seghir el Iubal - Suk el ATTARA, Tripoli.
Mohamed Bu Hashar - Shara Mezran, Tripoli
Shafei Shep - Shara 24, December, Tripoli.
Sussi Brothers - Shra Istiklak, Tripoli.
Ibraim Shuela - Shara Ibn El As, Tripoli.

IV. IMPORTERS OF READYMADE ARTICLES, TEXTILES & WOOLEN GOODS

Biram Brothers - Suk el Turk, Tripoli.
Suleiman Acceri - Trig el Helga, Tripoli.
Ali Mesai - Shara Istiklal, Tripoli.
Abdalla Umbarek - Trig el Helga, Tripoli.
Mustafa Nasuf - Shara Istiklal, Tripoli.
Mohamed Bu Ashar - Shara Mizran, Tripoli.
Fuad Abu Uasher - Shara Istiklal, Tripoli.
Fuad Ziglam - Shara Mizran, Tripoli.

(Contd...)

Appendix 10 (Contd....)

Ramadan Tashuri - Shara Omar Muktar, Tripoli.
Fauzi Zeggellai - Shara Omar Muktar, Tripoli.
Abdalla Shakshuki - Suk el Turk, Tripoli.
Mohamed Zlitin - Shara Omar Muktar, Tripoli.
Sansi Ageli - Shara Istiklal, Tripoli.
Abdalla H. Allabbar, Suq. Addalam, Benghazi.
Abdu M. Bengalbun, Suq. Addalam, Benghazi.
Belgasem A. Elamami, Suq. Addalam, Benghazi.
Umar F. Bengurbal, Suq.Addalam, Benghazi.
Ali A. Elgerbi, Suq Addalam, Benghazi.
Faraz A. Assunki, Suq Addalam, P.O. Box 151, Benghazi.
Mohamed I Abeida, Suq Addalam, Benghazi.
Abdulhafid A. Shamsa, Suq Addalam, P.O. Box 135, Benghazi.
Salim S. Bunkheila, Suq Addalam, Benghazi.
Mohamed F. Elbasiuni, Suq Addalam, Benghazi.
Saad M. Elmugheirbi, Suq Addalam, Benghazi.
Ali M. Elmuttardi, Suq Addalam, Benghazi.
Abdussalam H. Allabbar, Suq Addalam, Benghazi.
Mohamed M. Elfaghi, 134 Suq Addalam, Benghazi.
Elhadi M. Asseid, Bubula St., Benghazi.
Khalil M. Elgiali, Bugula St., Benghazi.

(contd....)

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Faraj M. Fakrun, Bubula St., Benghazi.

Ali M. Elhishem, Bubula St., Benghazi.

Mohamed A. Elgsair, Bubula St., Benghazi.

Khalifa M. Elageili, Bubula St., Benghazi.

Ali T. Attarabilsi, Bubula St., Benghazi.

Ahmad M. Elgoul, Bubula St., Benghazi.

Abdalla K. Uein, 112, Bubula St., Benghazi.

Mohamed A Benmasoud, 156, Bubula St., P.O. Box 1658,
Benghazi.

Suleiman M. Elmugheirbi, Sidi Salim St., Benghazi.

Hassan M. Elabeidi, 35 Sidi Salim St., Benghazi.

Abdalla U. Elfazzani, Afunduq Albaladi Sq., Benghazi.

Ali U. Elfazzani, Afunduq Albaladi Sq. P.O. Box 3127,
Benghazi.

Rajab M. Ismail, Alhaddada Sq., Benghazi.

Abdulati U. Anneihum, Alhaddada Sq., Benghazi.

Faraj M. Muftah, Slhaddada Sq. Benghazi.

Salih I Jreibi, Zawiat Arrifaia St., Benghazi.

Awad U. Elmangush, Shehoub St., Benghazi.

Ali M. Elmangush, Suq Eljdeida, Benghazi.

Uthman M. Elwerfalli, Bescheikh St., Benghazi.

Caridakis, Istiklal St., P.O. Box 98, Benghazi.

(Contd......)

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Mohamed S. Sagr, Istiklal St., Benghazi.
Bashir M. Elmijrisi, 152, Istiklal St., Benghazi.
Hamid A. Elfazzani, Almustashfa St., Benghazi.
Umar K. Arreis, Suq Eljareed, Benghazi.
Abdrabba F. Elbarrani, Suq Eljareed, Benghazi.
Ali Hneish, Suq. Eljareed, Post Box 226, Benghazi.
Ibrahim A. Lashiab, Suq. Eljareed, Benghazi.
Ahmad I Bennur, 10 Suq Eljareed, Benghazi.
Ahmad F. Hmuda, Suq Eljareed, P.O.Box 673, Benghazi.
Mohamed M. Sati, Suq Eljareed, P.O. Box 1887, Benghazi.
Ali I. Aburugba, 89 Suq Eljaredd, Benghazi.
Umar A. Nbeig, Suq. Eljareed, Benghazi.
Mustafa A. Kablan, Suq. Eljareed, P.O. Box 551, Benghazi.
Mustafa H. Nabbus, Qasr Hamad St., P.O. Box 501, Benghazi.
Benisa M. Aschareef, Qasr Hamad St., P.O. Box 615, Benghazi.
Bahaiddin Khammash, Umar Touson Sq., P.O.Box 119, Benghazi.
Salih I. Aschareef, Umar Touson Sq., P.O. Box 161, Benghazi.
Taher A. Elfeituri, Suq Arrueisat, Benghazi.
Abdurrahman Elmufti, Municipality Sq., Benghazi.
Faraz U. Bujazia, P.O. Box 116, Benghazi.
Assanusi A. Shamsa, Umar Elmukhatar St., Benghazi.
Abdulhamid M. Aschafei, Umar Elmukhtar St., Benghazi.
Attaib I Azzawi, 90 Umar Elmukhtar St., Benghazi.

(contd...)

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Abdalla Smeiu, Uma Elmukhtar St., Benghazi.

Ahmad M. Elmufti, Umar Elmukhtar St., P.O. Box 2238, Benghazi.

Wanis A. Bensreiti, 67 Suq. Atterka, Benghazi.

Suleiman F. Hmuda, Aschareef St. Benghazi.

Salim M. Muftah, Busheeha St., Benghazi.

Mohamed A. Elfazzani, Benshatwar St., Berka, Benghazi.

V. IMPORTERS OF JUTE TEXTILE

Duella Brothers - Omar Muktar, Tripoli.

VI. IMPORTERS OF DYES

Mohd. Ben Banka - Shara Mohamed Ali Serussi, Tripoli

Taher Msollem - Zanger game dru oh, Tripoli.

Ibrahim Enden - P.O. 24 December Sdr., Tripoli.

VII. IMPORTERS OF DRUGS & PHARMACEUTIRALS

Mohamed Mustafa Rais - P.O. Box 1057, Tripoli.

Hag Slim Ben Omran & Son - P.O. Box 28, Tripoli.

Libyan Syrian Co. For Ind. Contr. & Commerce-
P.O. Box 2231, Tripoli.

Ahmed Salah Naami - P.O. Box 1066, Tripoli.

Sussi Brothers Co. - P.O. Box 309, Tripoli.

Mohamed Nga - P.O. Box 916, Tripoli.

(contd.....)

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Hoechst Libya - P.O. Box 2442, Tripoli.

Libyachemie - Abdelmagid Benzanti - Bedri Bldg.
Shara Baghdad, Tripoli.

Abdelmagid Ender - Shara Srim 17, Tripoli.

Asco Libya - Shara Toselli 5, Tripolli.

Farmo Laboratories - Shara Zubeida, Tripoli.

Fataco - 251 Shara Omar el Muktar, Tripoli.

Gefarma - 78 Shra Omar Mujtar, Tripoli.
Libya Pharma - Shara Derna, Tripoli.
Mahmud Yemeni - Shara Esseidi, Tripoli.

Mustafa Lamir - Maidan Assaa, Tripoli.

Libyzar - Shara Rabbat, Tripoli.

Chemilibya Ltd. - 346 Shara Omar Muktar, Tripoli.

Ali Rughbani - Shara 24 December, Tripoli.

Mohamed Fergani - Shara Omar Ibn el As, Tripoli.

VIII. IMPORTERS OF FOOTWEAR

Bata Libya Ltd. - Shara Istiklal, Tripoli.

Omar Mohamed Zarti - Shara Omar Muchtar, Tripoli.

Yousef Madi - 150 Shara Omar Mucktar, Tripoli.

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Salem Maguri - Shara Omar Mucktar, Tripoli.
Milad Ishcta .. 44 Shara Mizzran, Tripoli.
Mornili - Shara Istiklal, Tripoli.
Ali Baghdadi - Shara Mizzran, Trippoli.
Abdelbaset el Tawil - Shara Iskandaria, Tripoli.
Hag Scd Sherif - P.O. Box 2892, Tripoli.
Abdelsatar Aref Shwehdi - Suk el Turk, Tripoli.
Ali Thumi - Suk el Nashara 103, Tripoli.
Mustafa Yunis - Bab el Hurria, Tripoli.
Salem Omar Misurati - Shara Ibn Matruh, Tripoli.
Samad Shoes, Fish Market Square, P.O. Box 15, Benghazi.
Anneihoum Shops, Umar Mukhtar St., Benghazi.
Bata, Umar Mukhtar St., Benghazi.
National Footwear Co. (Mara), Umar Mukhtar St., Benghazi.
Mahmoud A. Bukhatwa, Umar Mukhtar St., Benghazi.
Abdurrahman Elmufti, Umar Mukhtar St., Benghazi.
Saleh M. Gseibat, Bougula St., Benghazi.
Khlil M. Eljali, Bougula St., Benghazi
Faraz U. Fakroun, Bougula St., Benghazi.
Mahmoud A. Daioub, Bougula St., Benghazi.
Abdalia A. Elmaji, Suq Addalam, Benghazi.

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Mohamed M. Abeida, Suq Addalam, Benghazi.

Yousef M. Zeeu, Suq Addalam, Benghazi.

Khalifa A. Ashweihdy, Suq Addalam, Benghazi.

Mohamed I Abeida, Suq Addalam, Benghazi.

Saleh I Jreibia, Azzawia Arrifaia St. Benghazi.

Awad U. Elmangoush, Shihoub St., Benghazi.

Taher A. Elfeitoury, Suq Pweisat, Benghazi.

IX. SEWING MACHINE IMPORTERS

Abdelwahid el Goblawi - Maidan 9th August, Tripoli.

Nuri Rtemi - Zangel el Fnedga, Tripoli.

Singer Sewing Machine Co. - Shara Istiklal, Tripoli.

Libya Meccanical Co.- Shara Tunis, Tripoli.

Zuab Brothers - Shara Omar Muktar, Tripoli.

Mohamed el Gejadi - Shara Omar Mukhtar, Tripoli.

Mohamed Bilal - Shara Omar Muktar, Tripoli.

Siah Filfil - Shara Omar Ibn el As, Tripoli.

Serrah Co. - Shara Omar Muktar, Tripoli.

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X. IMPORTERS OF INDUSTRIAL MACHINERY

SHED Co. - Shara Haiti, Tripoli

Hag Abdalla Hammali - Bab Ben Gashir, Tripoli

Ali Gerush - Shara Haiti, Tripoli.

Tahar Lotai - Shara Ahmed Sherif, Tripoli.

Ogbi Broth. - Shara Ahmed Sherif, Tripoli.

LIBCO-Shara 24 December, Tripoli.

LICO - Shara el Baladia, Tripoli.

Mohamed Salah Turki - 6 Shara Zahawi, Tripoli.

XI. IMPORTERS OF ELECTRICAL INSTALLATION MATERIALS

Mahmoud Zigwan - Shara Omar Muktar, Tripoli.

Badi Shop - Shara Omar Muktar, Tripoli.

Mohamed Billal - Shara Omar Muktar, Tripoli.

Salem Bredan - Shara Omar Muktar, Tripoli.

Mishergi Bros. - Shara Omar Muktar, Tripoli.

Casa Della Luce - Shara Omar Muktar, Tripoli.

Electrical Imports - Shara Haiti, Tripoli.

Sajeja Felfel - Shara Omar Ibn el As, Tripoli.

Ibrain Hafid-Shara Saidi, Tripoli.

Shelco Philips - Shara Omar Muktar, Tripoli.

(contd...)

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XII. IMPORTERS OF HARDWARE/BUILDING MATERIALS

Battar Trading Organ. - Shara Omar Abdulazia Coobar Bldg., Tripoli.

Khalifa El Lewi - Shara Omar Muktar, Tripoli.

Libyan International Trading Agency of Mohd Sadik Tabbag 4 Shara Ibn Sina, Tripoli.

Rahuma Gassam Jacob-Shara Mizran 206,, Tripoli.

Haj Aref Dogri - Shara Omar Ibn el As 134, Tripoli.

Abdusalam Giaka - Suk el Najjara 21, Tripoli.

Abdelgadar Fellah - Suk el Najjara, Tripoli.

Wilson Supply Co. - P.O. Box 397, Tripoli.

Genetools of Azzedin Lahderi - Shara Saidi, Tripoli.

Delta Suppli Co. - Shara Mente Michele, Tripoli.

Mohamed Kara - Shara 24, December, Tripoli.

Salem Bshena - Shara 24, December, Tripoli.

Hussein F. Elkuafi, Qasr Hamad St., Benghazi.

Abdussalam S. Elfallah, Qasr Hamad St., Benghazi.

Abdalla S. Elgmati & Co., Giuliana, Benghazi.

Numan Sufrakis, Abdussalam Elkizza St., Benghazi.

Annasr Co., Suq Eljareed, Benghazi.

Atia M. Elgoul, Amr Ibn Elaas St., Benghazi.

Andrea Parakakis, P.O. Box 229, Benghazi.

(Contd...)

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Abdalla B. Bseikri, Umar Ibn Elkhattab St., Benghazi.
Ali J. Mssad, 25 Umar Ibn Elkhattab St., Benghazi.
Umar M. Addrughi, Zeeu Land, Benghazi.
Faraj S. Ascheiki, Lenghi Land, Benghazi.
Muftah A. Elwerfalli, Carcure Land, Benghazi.
Mohamed M. Elareibi, P.O. Box - 1650, Benghazi.
Abdalla U. Elfeituri, Mohamed M. Aschareef Land, Benghazi.
Saleh M. Ascheibani, Algeria St., Benghazi.
Bulding Materials Co. of Libya, Ras Abeida, Benghazi.
Mohamed S. Assabri, Mukhtar Assabri St., Benghazi.
Frank Radei, Mansur Elkikhia St., Benghazi.
Mohamed I. Elbshari, Saleh Lateiwish St., Benghazi.
Azzarrug A. Benumran, Zuara St., Benghazi.
Yousef M. Zeeu, Suq Addalam, Benghazi.
El-Aman Trading Co. Ltd.Istiklal St., P.O. Box 2087, Benghazi.
Atlas Co., Istiklal St., P.O. Box 2114, Benghazi.
Mohamed A. Benzanlak, Shatwan St., P.O. Box 1279, Benghazi.
Ahmed F. Elecarati, Silo St., P.O. Box 1769, Benghazi.
Usama J. Algaid, Liberation Bldg., P.O. Box 989, Benghazi.

(contd.......)

XIII. OILFIELD SUPPLY & OILFIELDS CONTRACTORS

Alwafa - 43 A Shara el Malika, Tripoli.

Arabeo - P.O. Box 944, Tripoli.

Arabian Bektel Corp. - Shara Bagdad, Bedri Bldg., Tripoli.

Burden Drilling & Pipeline Contr. G.B. Ltd., Tripoli.

C.A.T. - P.O. Box 933, Tripoli.

Consolidated Contractors Co. - Shara Zawia, Tripoli.

Cure Laboratories Libya Inc. - P.O. Box 968, Tripoli.

Costain & Press Libya Ltd., Sh. Tehran, Tripoli.

Crest Engineering Co. - 10, Shara Pietre Verri, Tripoli.

Dowel Schlumberger (Eastern) Inc.- P.O. Box 2216, Tripoli.

Drilling Operations Incorporation - P.O. Box 680, Tripoli.

E.D.E.C.O. - P.O.Box 2290, Tripoli.

Flopetrol Co. Libya - Shara el Nasser, Tripoli.

Forence - P.O. Box 654, Tripoli.

Forex - P.O. Box 630, Tripoli.

Halliburton Co. - P.O. Box 644, Tripoli.

Hamza Co. - P.O. Box 2265, Tripoli.

Independence Exploration Co. Libya. - P.O. Box 641, Tripoli.

Interdrill Libya Ltd., P.O. Box 922, Tripoli.

International Drilling Co.-P.O. Box 607, Tripoli.

Loffland Brothers de venezuela Co. - P.O. Box 954, Tripoli.

(Contd.....)

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MID - Continent Supply Co. - P.O. Box 954, Tripoli.
Middle East Oilfield Supplies Co. - P.O. Box 2465, Tripoli.
Mid-East Supply Co. - P.O. Box 2461, Tripoli.
Mischerghi United Co. - P.O. Box 2334, Tripoli.
National Development Co. - P.O. Box 343, Tripoli.
M. Galbum & Co., P.O. Box 2334, Tripoli.
National Industries Trading Co. - P.O. Box 662,Tripoli.

XIV. IMPORTERS OF BICYCLES

Salem Bredan - Shara Omar Muktar, Tripoli.
Saih Filfil - Shara Omar Ibn el As, Tripoli.
Ali Begdadi - Shara Mizran, Tripoli.
Mohamed Gilal - Shara Omar Muktar, Tripoli.
Serrag Co. - Shata Omar Muktar, Tripoli.
Abdalla Nessnuss - Shara 24 December, Tripoli.

XV. IMPORTERS OF ELECTRIC HOUSEHOLD APPLIANCES

Libelce, Shara 24 December, Tripoli.
Mishergi Sons - Shara Errafei, Tripoli.
Mohamed Rashid Senussi - Shara Garian, Tripoli.

(Contd.....)

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Burgiba & Aref Co. Shara Istiklal, Tripoli.

Abdusalam Gammoudi & Co. - Shara Elrashid 136, Tripoli.

Soussi Brothers - Shara Tehran, Tripoli.

African Costal Co. - Shara Haiti, Tripoli.

International Trading Co. Shara Baladai Vigna Bldg., Tripoli.

Mahdi Battemer - Shara 24 Devember 96, Tripoli.

Abdelmagid Naas - Shara Omar Ibn el As, Tripoli.

Akemasia & Co. Shara Haiti 123, Tripoli.

Salem Shop - Shara Haiti, Tripoli.

Salem Muftah Said - Shara Haiti, Tripoli.

Saiac Filfi - Shara Ibn el As, Tripoli.

Abdelwahid el Giblawi - Medan Omran Tusson, Tripoli.

Tanmia Co. - Shara Mohamed Ali Senusei, Tripoli.

Mohamed Harb - Kredan - Shara Haiti 128, Tripoli.

Abdulhamid B. Bukhatua, Umar Elmukhtar St., P.O.B. 103, Benghazi.

Naraj M. Elhuti, Umar Elmukhtar St.,
Benghazi.

Abdalla U. Elwerfalli, Umar Elmukhtar St., Benghazi.

Mohamed F. Elkuafi, Umar Elmukhtar St., Benghazi.

Wanis S. Buzeik, Umar Elmukhtar St., P.O.B. 156, Benghazi.

(contd....)

Appendix 10 (contd...)

Mahdi M. Bettamer, Umar Elmukhtar St., P.O. Box 66, Benghazi.

Mohamed A.Attajuri, Istiklal St., Benghazi.

Abdulmola Lenghi, Istiklal St., Benghazi.

Mohmed R. Atwahni, Umar Ibn Elkhattab St., Benghazi.

Ramadan I. Doubtana, Umar Ibn Elkhattab St., P.O.Box 306, Benghazi.

Ibrahim Aschatshat, Umar Ibn Elkhattab St., Benghazi.

Mohamed A. Elfeituri, Umar Ibn Elkhattab St., Benghazi.

Mustafa M. Assanfaz, Almustashfa St., Benghazi.

Mohmed I Hdash, Almustashfa St., Benghazi.

Abdalla S. Abdunnabi, Almustashfa St., Benghazi.

Mohamed U. Gleiwa, Almustashfa St., Benghazi,

Ali M. Hneish, Ankara, St., Benghazi.

Paramount Trading Agency, Amr Ibn Elaas St (P.O. Box 436, Benghazi.

Libyan Electronics Co. (Libenco) Fueihat, P.O.Box 318, Benghazi.

Industrial Development Co., Elkeesh, Benghazi.

Civil Works Co., Bier Blal St., Benghazi.

Ibrahim S. Elgerbi, Liberation Bldg., P.O.Box 78, Benghazi.

Saad M. Eljahmi, Bugula St., P.O. Box 57, Benghazi.

Mukhtar M. Benahsuna, Bugula St., Benghazi.

Faraj M. Almesrati, 4 Amr Ibn El aas St., Benghazi.

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